The Davenport Funds
Quarterly Update | Q1 2022

The first quarter brought investors yet another curve ball with Russia's invasion of Ukraine. This sent shockwaves through global markets and added to already notable inflation pressures, while also casting a new light on international investing. Meanwhile, the Federal Reserve raised interest rates as policymakers began to reign in monetary stimulus. Markets ultimately proved more resilient than one might expect given these circumstances, with energy and commodity-related stocks leading the way. While the S&P 500® Index and Russell 2000® Index were down 12% and 14% at one point during the quarter, they finished down 4.60% and 7.53%, respectively. It's worth noting, however, that the major indices belie underlying weakness in the market. Many stocks, especially in riskier corners of the market, have experienced steep declines.

War in Ukraine added a new layer of risk to equity markets. One major consequence of the situation has been a spike in oil prices and many other commodities (Russia is the world's second largest producer of oil). The S&P GSCI, an index of commodities, advanced 29% for its biggest gain in over 30 years. This is prompting a variety of pressures ranging from higher prices at the pump to higher input costs for companies. While good for commodity producers, higher prices could squeeze consumers' pocketbooks, crimp corporate margins and generally help promote an economic slowdown. Moreover, many corporations have shut down activities in Russia and we seem to be going through a process of de-globalization in the near term. This corporate warfare seems warranted, but could become a slippery slope. What if some companies decide to do less business with China (a huge source of demand for many companies) given ideological differences? Such a scenario seems far-fetched, but less so than it did just a few months ago.

Inflation is now even more of an issue. We were already dealing with significant inflation given pandemic bounceback demand and associated supply chain challenges. To wit, the consumer price index advanced 7.9% in February, a 40-year high. The geopolitical situation has added fuel to the fire. In turn, the Federal Reserve is committed to tighter monetary policy to ensure inflation doesn't spiral out of control. It just raised interest rates for the first time since 2018 and remains intent on 7 rate hikes this year. True, the emergency stimulus post pandemic is no longer needed and inflation does need to be constrained, but many fear excessive tightening could also prompt a slowdown or even a recession.

How likely is a recession? Many sources of inflation pressure could prove ephemeral and higher interest rates may only serve to quell economic activity. Or, we could see a period of stagflation, which is defined as elevated inflation alongside no/low economic growth. Economists continue to forecast decent growth domestic product (GDP) growth for this year and next, thereby implying that most do not anticipate Fed policy will trigger either scenario, but the risks have risen. On the positive side, the COVID recovery continues unabated. One only needs to look at the results of a casino, concert and/or theme park operator to see there is a thirst to spend, and rising inflation has had limited impact so far. To that end, consumer balance sheets are very healthy with debt relatively low by historical standards, and household disposable income very strong. Corporations are also flush with cash and have significant capacity to spend money.

Market Returns	Q1 2022	2021
U.S. Large Caps	-4.60	28.71
U.S. Mid Caps	-5.68	22.58
U.S. Small Caps	-7.53	14.82
International Developed Markets	-5.91	11.26
Emerging Markets	-6.97	-2.54
Intermediate Term Bonds	-4.51	-1.44

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

Putting it all together, we think the risk/reward profile for stocks is relatively balanced. Valuations look more reasonable than they did at the start of the year, but we still find ourselves expecting more moderate returns than in recent years. While a sudden outbreak of peace in Ukraine could prompt a relief rally, rising interest rates and tighter monetary/fiscal policy will remain a headwind and higher input costs could weigh on corporate profitability. Despite a more subdued market outlook, we continue to find exciting individual ideas for our funds and have added a number of new positions. Please refer to our Fund letters for a discussion of recent actions and we look forward to reporting to you next quarter.

Davenport Core Fund

DAVPX

After a strong 2021, The Davenport Core Fund (DAVPX) and the broader market suffered a slight reversal in the first quarter of 2022. The Fund declined 6.40% while the S&P 500® Index fell 4.60% to start the year. While we are disappointed to start the year behind the benchmark, we are pleased to see the Fund hold up relatively well given the broader market volatility seen throughout the quarter as investors grappled with spiking inflation, Russia's invasion of Ukraine, rising interest rates, and waning monetary stimulus.

Our top performer during the quarter was Pioneer Natural Resources Co (PXD), a leading US shale oil & gas producer, and the largest producer in the prolific Permian Basin. The stock returned nearly 40%, nearly in lockstep with oil prices which reached multi-year highs following Russia's invasion of Ukraine. Other top performers included our insurance holdings Markel Corp (MKL) and Berkshire Hathaway Inc. (BRK.B), who saw improved insurance pricing and higher investment returns as a result of rising interest rates. The Consumer Discretionary sector was our biggest detractor to performance, with Home Depot Inc. (HD), Sherwin-Williams Co (SHW), and CarMax Inc. (KMX) all seeing significant pullbacks after a very strong 2021 as the companies face near-term headwinds from supply chain issues, rising rates, and inflation/elevated prices.

Transaction activity was fairly moderate during the quarter, but focused on striking a balance between growth and value. Given our expectation for more moderate returns following years of outsized gains, we took advantage of the market volatility by taking profits in some of our big winners and redeploying the proceeds into both new and existing names with attractive risk/reward profiles. In early/mid-February we sold our position in Advanced Micro Devices Inc. (AMD). Under the leadership of CEO Dr. Lisa Su, the company has transitioned from a multi-year turnaround situation to an impressive secular growth story, with AMD taking sizable market share gains across its end-markets. While the story is impressive, we elected to sell the position for a nearly 55% gain since our purchase last year, as we felt the continued growth potential was fairly reflected in the stock price. Similarly, towards the end of the quarter we chipped our position in Apple Inc. (AAPL). The stock has had a tremendous run, increasing more than 260% over the last 3 years (nearly 4x the return of the S&P 500). We continue to be fans of Apple's businesses and maintain a healthy position in the name, but felt valuation had become a bit stretched and elected to take some off the table. We added to our positions in Adobe Inc. (ADBE) and Sherwin Williams Co (SHW), two high quality compounders that have been beaten up this year due to some of the macro headwinds mentioned at the onset of this letter. We continue to see long-term secular growth upside for both of these names, and elected to add to our positions on the near-term weakness. We also initiated a new position in Bank of America Corp (BAC).

A household name, Bank of America sold off in mid-February alongside US banks in general as the Russia/Ukraine conflict raised concerns of the possibility for fewer rate hikes than initially expected, as well as the potential for Russian sanctions to prompt credit losses at large cap banks. While these concerns are valid, after the stock's pullback we felt these uncertainties were more than priced in with the stock trading at the lowest valuation multiple since 2020. We elected to take advantage of the weakness and establish a position in one of the highest quality US banks that continues to invest in technology, expand into new markets, and return cash to shareholders.

In sum, after a fairly volatile start to the year that saw the market down more than 10% at one point, we continue to believe the risk/reward profile for stocks is relatively balanced. Valuations look far more reasonable than just a few months ago and certain areas of the market offer attractive opportunities. Additionally, we continue to believe that equities should provide an inflation hedge and we're focused on maintaining a core style fund of high quality companies with attractive long-term outlooks.

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 March 31, 2022

	Q1 2022	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* 1/15/98
Core Fund (DAVPX)	-6.40	10.89	15.04	12.91	12.34	7.85
S&P 500 Index	-4.60	15.65	18.92	15.99	14.64	8.67
30-Day SEC Yield: 0.20%; Expense Ratio: 0.86% Current Expense Ratio†: 0.86%						

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

Adobe Inc (ADBE) - We think company guidance could prove conservative and view the ~40% pullback in the stock and valuation reset back to pre-pandemic levels as an attractive entry point for this high quality, secular grower in the software industry. We elect to add 0.5%, taking the position to 3.3% of the Fund.

Bank of America Corp (BAC) - We feel that this purchase, alongside our additions to Adobe Inc and Sherwin Williams Co, should help to give the Fund a nice balance on the value/ growth spectrum.

Caesars Entertainment Inc (CZR) - We purchased a position in CZR as we think recent weakness has presented an opportunity and view the company as a quality way to lean back into the "re-opening" trade.

Medtronic plc (MDT) - We added to our position in MDT as it maintains a well-positioned pipeline with a strong balance sheet that is set to support its commitment to maintaining a high level of Research and Development (R&D) spend and a stable dividend payout.

Meta Platforms Inc (FB) - Though we regret the timing of adding to FB, we believe the company has the capacity to navigate the current environment and feel the stock exhibits an attractive risk/reward profile following the recent expectations reset (acknowledging it could spend some time in the penalty box).

Pioneer Natural Resources Co (PXD) - PXD aims to return 80% of free cash flow to shareholders in 2022, and with the new fixed-plus-variable dividend structure, the total 2022 yield should be over 10%-one of the highest yields in the S&P 500. Given our positive outlook for the company, we felt the risk/ reward opportunity to be attractive and a good time to increase our energy exposure to the Fund.

Sherwin Williams Co (SHW) - Assuming raw material costs eventually plateau, we think SHW can earn >$12 in EPS in the next two years, which would drive a $300 target (23%+ upside) assuming the current multiple. As such, we elect to add 0.5% to this high-quality compounder, taking the position to 1.9% of the Fund.

T-Mobile US Inc (TMUS) - While the industry could see a deceleration in growth back to more normal levels, we believe that as the disruptor, TMUS will continue to take market share and offset some of the industry-wide deceleration. Analysts estimate that after adjusting for Sprint losses (the migration will complete this year), TMUS is actually winning nearly 50% of net additions this year (similar to 2020) and we believe this is sustainable going forward. All told, we see a path to double-digit earnings and free cash flow growth and elect to add to the position.

Recent Sales

Accenture PLC (ACN) - ACN has been an outstanding performer for the Fund, up 61% in 2021, and returning more than 45% annually over the last 3 years (almost double the S&P). While we continue to believe ACN is a high quality business with solid outlooks going forward, valuations are now well above their averages and we felt it to be an opportune time to take some profits as part of our risk management process, and chip the position size down to more normal levels.

Advanced Micro Devices Inc (AMD) - Momentum is set to continue in 2022 with management forecasting another strong year of growth across all core business segments, and the market share expansion story is likely still in the early innings. However, we are becoming less confident in underlying demand trends for certain end-markets like PCs, which could add a layer of uncertainty to the company's growth potential as the year progresses. With a more balanced risk/reward profile, in our opinion, we elect to sell our position in AMD and hope to redeploy capital into other compelling opportunities.

Apple Inc (AAPL) - While we continue to be fans of Apple's products, services, and innovation, we believe the valuation has become a bit stretched given expectations for mid-to-high single digit earnings growth and it could be tough for the shares to generate further outperformance. We continue to maintain a healthy position, but felt it prudent to chip the position and take some profits given a more balanced risk/reward profile.

Mastercard Inc (MA) - The stocks' multiple has recovered to more typical levels relative to the market and we believe it prudent to reduce our position to more normal levels given our outsized weighting to the payment networks and more balanced risk/reward outlook.

MercadoLibre Inc (MELI) - While we are attracted to the MELI's strong growth profile in the long-term, we believe the current headwinds are likely to persist for the foreseeable future. While the stock's recent underperformance reflects these concerns, we also think it is important to consider this action in the context of the Fund's exposure to broader risk factors impacting "growthier" names, and focus on names with more attractive risk/reward profiles.

Microsoft Corp (MSFT) - While we continue to believe MSFT is a high quality business with solid outlooks going forward, valuations are now well above their averages and we felt it to be an opportune time to take some profits as part of our risk management process.

Visa Inc (V) - The stocks' multiple has recovered to more typical levels relative to the market and we believe it prudent to reduce our position to more normal levels given our outsized weighting to the payment networks. We continue to believe the company is a high quality compounder, with strong runways, and great returns on capital.

Top Ten Holdings* - % of Net Assets

as of 03/31/2022

Pioneer Natural Resources Co	3.76
Amazon.com Inc	3.64
Brookfield Asset Mgmt Inc**	3.63
Microsoft Corp	3.62
Markel Corp	3.55
Danaher Corp	3.53
Adobe Inc	3.26
Apple, Inc	3.11
T-Mobile US Inc	3.06
Berkshire Hathaway Inc	2.85

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 1863 ASSET MANAGEMENT

The Davenport Value & Income Fund (DVIPX) increased 0.14% in the first quarter. This compares to the Fund's primary benchmark, the Russell 1000 Value® Index, which declined 0.74% in the quarter as well as the S&P 500® Index, which decreased 4.60%.

Value stocks continued to perform well compared to their growth counterparts and we were pleased that the Fund outperformed its benchmark. Energy and material stocks were the top performers as commodity prices reached multi-year highs following Russia's invasion of Ukraine. Coterra Energy Inc. (CTRA) was our top performer, increasing nearly 45% in the first quarter, followed by a 40% gain in energy giant Chevron Corp (CVX). Agricultural processor Bunge Ltd (BG) was also a top contributor as high commodity prices and supply disruptions drove margins higher. Gold miner Newmont Corp (NEM) increased nearly 30%. Our insurance holdings also performed well, with nearly 20% gains from Berkshire Hathaway Inc. (BRKB) and Markel Corp (MKL). This was due to improved insurance pricing and higher investment returns as a result of rising interest rates. On the other side, key detractors included Cannae Holdings Inc. (CNNE), Sony Group Corp (SONY), and TE Connectivity Ltd (TEL).

We continue to find good value in lower risk, higher yielding names, which we think fit well in this Fund given our view of more muted returns ahead. You may recall that late last year we bought Walmart Inc. (WMT) and added to Johnson & Johnson (JNJ). This quarter we added to our position in McDonald's Corp (MCD) and initiated a new position in Verizon Communications Inc. (VZ). MCD shares were down significantly on fears related to Russia/Ukraine as well as higher input costs. We viewed this as a buying opportunity as the company has proven time and again its ability to raise prices to offset inflation. Verizon continues to improve performance with its 5G initiatives. 5G mobility, nationwide broadband, edge computing, and B2B solutions are expected to improve revenue growth from ~2% to the mid-single-digit range over the next couple of years. Earnings have the potential to grow ahead of revenue given the benefit of improving margins. Additionally, with capital expenditure expected to peak next year, we see the potential for share buybacks in the near future. With the stock at less than 10x forward earnings, we think the valuation is attractive.

We also introduced a position in Sysco Corp (SYY). Sysco is the largest U.S. foodservice distributor with an estimated 17% market share in a highly-fragmented industry. The company sells over 400K products to restaurants (66% of sales), healthcare (9%), education and government (8%), and several other. Over 80% of sales are from the U.S. While the last two years have been incredibly difficult, we think the company is poised to emerge from the pandemic in a much stronger position and view SYY as a relatively safe way to play a return to normal. Significant investments in its technology, salesforce, and supply chain should allow SYY to grow at 1.5x the industry rate. The company is a dividend aristocrat with a 2.4% yield and trades at a discount to its average valuation.

In summary, despite the many market moving events that occurred in the first quarter, we were pleased that our Fund held up well and finished slightly ahead of its benchmark. We continue to have a favorable view towards energy and material stocks given our view that commodity prices are likely to remain higher for longer, and we maintain a healthy weighting in several names that touch that theme. We are balancing that with more traditional defensive stocks that have lower risk and solid dividends. The Fund currently yields 2.3% and we note that many of our holdings are raising their dividends at a rate at least commensurate with inflation.

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 March 31, 2022.

	Q1 2022	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* 12/31/10
Value & Income Fund (DVIPX)	0.14	14.24	12.36	10.08	11.12	11.48
Russell 1000® Value Index	-0.74	11.67	13.02	10.29	11.70	11.42
S&P 500 Index	-4.60	15.65	18.92	15.99	14.64	14.32
30-Day SEC Yield: 1.50%; Expense Ratio: 0.86% Current Expense Ratio†: 0.87%						

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*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

Citigroup Inc (C) - With the stock trading at approximately 8.5x earnings-per-share (EPS), well below peers and its historical range, we find the current price offers an attractive entry point and elect to purchase a position.

Comcast Corp (CMCSA) - We added to our position in CMCSA and think it will generate modest subscriber growth over the next few years and also like the re-opening exposure provided via its theme park business. CMCSA trades at a 34% discount to the S&P 500, the widest gap in over a decade, offering tremendous relative value, in our view.

McDonald's Corp (MCD) - Shares of MCD have declined significantly over the past few weeks on fears relating to Russia/Ukraine as well as higher input costs. We believe the selloff is overdone as Russia/Ukraine represent <3% of operating income and the company has proven time and again its ability to balance price with value. As such, we elect to take advantage of the weakness and attractive valuation to add to our position.

Perrigo Company PLC (PRGO) - PRGO shares have given back most of the recent gains generated when it settled many of its outstanding headwinds (i.e. Irish tax case) as supply chain issues and weak cough/cold trends have been a drag on the Earnings Per Share (EPS) recovery story. With trends expected to normalize as the Omicron wave recedes, we elect to add to our position.

Sysco Corp (SYY) - We purchased a position in SYY. While the last two years have been incredibly difficult, we think the company is poised to emerge from the pandemic in a much stronger position and view SYY as a relatively safe way to play a return to normal. We are also attracted to Sysco's capital return. The company is a Dividend Aristocrat with a 2.4% yield after raising its dividend by 4% in May. The company also recently restarted its share repurchase program. While near-term results could be choppy due to the impact from the Omicron wave and supply chain/inflation, we think SYY offers attractive risk-reward at current levels.

Verizon Communications Inc (VZ) - While unlikely to be a home run, we think the low-beta, 5% dividend yield, and improving growth profile make VZ an attractive investment. Earnings before interest, taxes, depreciation, and amortization, (EBITDA) has the potential to grow ahead of revenue given the benefit of improving operating leverage. Additionally, with capex expected to peak next year, we see the potential for share buybacks in the not-too-distant future. With the stock at less than 10x forward earnings, we think valuation is attractive.

Recent Sales

Bunge Ltd (BG) - BG has been a standout performer for us as the company's turnaround took hold and coincided with a strengthening agricultural cycle. Additionally, the development of the renewable diesel industry has proven to be a strong catalyst for the shares. While we continue to be constructive on the stock, it had grown to be one of our biggest positions and as such, we elect to take some profits.

BP PLC (BP) - Following the recent outperformance of the energy sector as well as the spike in oil prices as a result of the Russia/Ukraine events, we elect to take some profits in the sector. BP has been a good performer for the Fund, but is also the most global of our holdings, including exposure to Russia (which it announced this morning that it plans to divest). As such, it is the position we decided to exit. We continue to have significant exposure to the sector in the form of Chevron, Coterra, and Enbridge, all of which we think look more appealing given their significant capital return programs.

Fidelity National Financial Inc (FNF) - We continue to like the story and believe the stock is cheap, but after a nearly 50% increase over the past year and a half, we elected to take a bit off the table to Fund our Sysco Corp (SYY) purchase, where we currently see more favorable risk/reward.

L3harris Technologies Inc (LHX) - L3 and other defense stocks are on a spike due to the tensions in Ukraine and what that might mean for future defense spending. While we continue to like the company and its exposure to high-growth DoD programs, we thought it prudent to take some profits as these stocks traditionally move significantly on headlines and then take some time to work as various government appropriations play out.

Microsoft Corp (MSFT) - While we continue to believe MSFT is one of the highest-quality businesses in the world with significant runway ahead, we no longer think it fits in the Value & Income Fund and thus decide to exit our position.

Truist Financial Corp (TFC) - TFC has had a nice move since our initial purchase in December 2020 as many of the BB&T/SunTrust merger synergies were realized and earnings results came in better than expected. As such, we elect to take some profits.

Truist Financial Corp (TFC) - We chipped our position a second time in TFC given the significant re-rating the stuck has experienced and now elect to sell our remaining stake to fund our purchase of Citi.

Top Ten Holdings* - % of Net Assets

as of 03/31/2022

Brookfield Asset Management Inc**	3.79
Johnson & Johnson	3.40
Berkshire Hathaway Inc	3.17
Watsco Inc	3.11
Fairfax Financial Holdings Ltd**	3.01
United Parcel Service Inc	2.90
Coterra Energy Inc	2.85
Markel Corp	2.74
Comcast Corp	2.62
McDonald's Corp	2.59

Holdings subject to change without notice. Foreign Holding*

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Davenport Equity Opportunities Fund

DEOPX

The Davenport Equity Opportunities Fund (DEOPX) experienced a 10.46% decline to start the year, lagging the 5.68% drawdown for the Russell Midcap® Index.

Despite the overall drawdown, the Fund enjoyed strong performance from holdings in the insurance sector, with Markel Corp (MKL) and Fairfax Financial Holdings Ltd (FRFHF) advancing of 19.5% and 12.9%, respectively. Both are top 5 holdings and we remain attracted to each given strong insurance pricing fundamentals, well positioned investment funds and short duration bond funds that are poised to benefit from higher interest rates. Another standout performer during the quarter was oil and gas producer Coterra Energy Inc. (CTRA), a new holding that we believe offers us a high quality way to participate in what we perceive to be secular tailwinds for hydrocarbon prices (more on this below).

Heading into this year, we took several actions to de-risk the Fund, selling and/or chipping positions in outperformers that had seen significant valuation expansion and appeared vulnerable. Despite these actions, performance was negatively impacted by a significant drawdown in growthier/interest rate sensitive names such as Etsy Inc. (ETSY), Sherwin Williams Co (SHW), Align Technologies (ALGN) and Autodesk Inc. (ADSK). In some cases, the drawdown in these names has been so severe that they are starting to look attractive again. In fact, we elected to add to our position in ADSK near quarter-end at a price nearly 40% below the level where we trimmed the position last August. Additionally, our position in Cannae Holdings Inc. (CNNE) served as a detractor. Despite significant share repurchases and meaningful asset monetizations, the shares continue to decouple from their net asset value, with the discount now wider than it has ever been (now north of 40%). Though we are clearly frustrated with this name, we feel the risk/reward remains favorable.

We initiated a position in leading online sports betting company Draftkings Inc. (DKNG). The name should be familiar given our recent ownership from mid-2020 through mid-2021. Since our exit, the shares have been more than cut in half as the market shifted from "growth at any cost" to a heightened focus on profitability. While DKNG is not yet profitable, it's important to remember that this industry is less than four years old and is still in the growth phase. The total addressable market has continued to increase, DKNG has cemented a leading position in most states that have legalized and the company's playbook (2-3 year path to profitability) has been proven out in the early states. As such, we think current levels offer an attractive entry point.

As mentioned above, we initiated a position in Coterra Energy Inc. (CTRA). The company offers participation in two of the best domestic oil and gas basins (Permian basin oil and Marcellus natural gas), where it holds long-lived, low-cost reserves. We are constructive on the outlook for hydrocarbon prices for the next several years given by producer discipline, years of underinvestment, diversion of capital to renewables and regulatory constraints. With respect to CTRA, we are attracted to the company's high quality assets, strong balance sheet and attractive capital return outlook. We expect total dividends to exceed $2 per share in 2022 (HSD dividend yield) even if oil and natural gas prices retreat from current levels. Furthermore, the company expects to be nearly net debt free by the end of 2022 and recently approved a $1.25bn buyback authorization, which represented roughly 7% of the market cap at the time. Putting it all together, we see a path to double-digit returns from capital return alone (with the added benefit of participation should oil and gas prices rise). As such, we used a recent pullback in the shares as an opportunity to add diversification and differentiation to the Fund at an attractive risk/reward.

In closing, we are disappointed with the start to the year; however, believe we have taken many steps to plant the seeds for future outperformance. As such, we feel the Fund carries an element of timeliness in addition to ample flexibility resulting from a slightly above average cash balance.

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 March 31, 2022.

	Q1 2022	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* 12/31/10
Equity Opportunities Fund (DEOPX)	-10.46	6.89	17.31	15.26	13.10	13.40
Russell Midcap® Index	-5.68	6.92	14.89	12.62	12.85	12.41
S&P 500 Index	-4.60	15.65	18.92	15.99	14.64	14.32
30-Day SEC Yield: -0.11%; Expense Ratio: 0.87% Current Expense Ratio†: 0.89%						

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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®. 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

DEOPX

DAVENPORT 1863 ASSET MANAGEMENT

Recent Purchases

Autodesk Inc (ADSK) - Despite the near-term headwinds, we feel the sell-off is overdone and the company should continue to see strong growth as the construction and manufacturing industries further embrace digitization and modern cloud tools. Even with FX headwinds, we believe FCF should grow nearly 50% this year and continue to grow at double-digit Compound Annual Growth Rate (CAGR) over the next few years and elect to add to our position.

Alight Inc (ALIT) - We elected to take advantage of recent weakness to build our position further and continue to view the risk/reward profile favorably.

Black Knight Inc (BKI) - We added to our position in BKI as we think the core business is performing extremely well and we struggle to find a business as high quality as Black Knight's trading at such a reasonable valuation.

Caesars Entertainment Inc (CZR) - The stock has languished recently and is down 35% from its all-time high due to general market weakness, Omicron fears, concerns about difficult comparisons in regional markets (following tremendous results last year) and general negativity towards sports betting plays (a new part of CZR's business). We think recent weakness has presented an opportunity, adding to our position and view the company as a quality way to lean back into the "re-opening" trade.

Caesars Entertainment Inc (CZR) - Shares of CZR have continued to languish since our initial purchase just over a week ago, and we elect to additionally add to our position on the weakness.

Colfax Corp (CFX) - As a reminder, CFX will split into two companies at the end of 1Q (ESAB - welding business / Enovis - medical device business). Using a conservative sum-of-the-parts valuation, we see upside into the $50+ range. As such, we decided to use market weakness to add to our position.

Coterra Energy Inc. (CTRA) - We purchased a position in CTRA. Though we have typically avoided companies in the commodity space due to historically unpredictable and insufficient returns, we are constructive on the outlook for hydrocarbon prices for the next several years given by producer discipline, years of underinvestment, diversion of capital to renewables and regulatory constraints. With respect to CTRA, we are attracted to the company's high quality assets, strong balance sheet and attractive capital return outlook.

Coterra Energy Inc (CTRA) - With the stock price relatively unchanged, we elect to add to the name and make it a more meaningful position size within the Fund.

DraftKings Inc (DKNG) - We purchased a position in DKNG. Following a significant downward re-rating in the sports betting world, we believe the time is right to revisit the DKNG story. The name should be familiar given our recent ownership from mid-2020 through mid-2021. Since our exit, the shares have been more than cut in half as the market shifted from "growth at any cost" to a heightened focus on profitability. While DKNG is not yet profitable, it's important to remember that this industry is less than four years old and is still in the growth phase. The Total Addressable Market (TAM) has continued to increase, DKNG has cemented a leading position in most states that have legalized and the company's playbook (2-3 year path to profitability) has been proven out in the early states.

DraftKings Inc (DKNG) - With the broader market selloff (and consumer stocks in particular), we decided to make the position a bit more meaningful, adding to the position at an attractive price. We continue to see DKNG as a long-term winner in the sports betting industry and believe risk/reward remains very attractive at current levels.

Recent Sales

American Tower Corp (AMT) - We continue to believe the company operates one of the more attractive business models we are aware of while offering a high quality way to play the secular theme of connectivity and wireless infrastructure buildout. With this action, we reduce the position size to 3.0% of the Fund.

Hilton Worldwide Holdings Inc (HLT) - While we continue to appreciate the company's capital light business model and leverage to a recovery in travel demand, we believe the risk/reward profile is balanced with both the share price and valuation hovering near all-time highs and elected to sell the position. Ultimately, we like the flexibility enabled by this degree of "dry powder", and look forward to deploying funds into attractive opportunities as they arise.

MercadoLibre Inc (MELI) - We sold our position in MELI. While we are still attracted to the company's strong growth profile and high return business model, we are concerned the shares may continue to struggle amid emerging market economic stress, increased competitive activity and rising interest rates. While the stock's recent underperformance reflects these concerns, we also think it is important to consider this action in the context of our Fund's exposure to broader risk factors impacting "growthier" names, to which we continue to have ample exposure. Ultimately, we feel the strategy maintains a sense of balance and like the optionality that our now elevated cash balance provides.

Top Ten Holdings* - % of Net Assets

as of 03/31/2022

Markel Corp	6.36
Brookfield Asset Management**	6.27
Fairfax Financial Holdings Ltd**	5.89
O'Reilly Automotive Inc	5.14
Dish Network Corp	5.02
Take-Two Interactive Software Inc	4.21
Martin Marietta Materials Inc	3.69
Evoqua Water Technologies Corp	3.58
Alight Inc	3.52
Fidelity National Financial Inc	3.40

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

DAVENPORT 1863 ASSET MANAGEMENT

The Davenport Small Cap Focus Fund (DSCPX) declined 6.10% in the first quarter, outpacing the 7.53% decline for the Russell 2000® Index. Though the start to the year was unpleasant for risk assets, we were pleased to see the strategy prove a bit more resilient.

Speaking of resiliency, top holding Monarch Casino & Resort Inc. (MCRI) was the Fund's biggest contributor for the period, advancing nearly 18% alongside strong quarterly results. As a reminder, we were adding to the position throughout the second half of 2021 and have been impressed with the significant momentum across the business, especially at the company's recently renovated property in Black Hawk, CO. Elsewhere, we were pleased to see a few of the "quality reopening" plays we highlighted last quarter outperform. Manhattan commercial real estate REIT SL Green Realty Corp (SLG) and rental car tolling solution provider Verra Mobility Corp (VRRM) posted solid gains during the period as Omicron variant concerns subsided. Cannae Holdings Inc. (CNNE) was the strategy's biggest detractor during the period. While several of the company's fund investments declined in value alongside the market, shares of CNNE continued to decouple from the intrinsic value of its holdings and stood at a record discount (north of 40%) to net asset value at quarter end. Despite our frustration and disappointment with this holding, we bolstered the position modestly and continue to exercise patience.

The strategy's exposure to the renewable energy/energy transition space was a positive standout during the quarter. The group saw a renewed wave of investor interest alongside strength in energy prices and Russia's invasion of Ukraine, with the latter calling attention to the growing role of renewable/alternative energy sources. We have discussed our position in "picks and shovels" LNG (liquefied natural gas) and hydrogen equipment provider, Chart Industries Inc. (GTLS), in the past. We still view GTLS as a great way to play the intermediate (LNG) and longer term (hydrogen) themes within energy transition evolution. We have also been building a position in leading RNG (renewable natural gas) player, Archea Energy Inc. (LFG). Archea is the largest RNG operator in the country, with a primary focus on converting landfill methane gas into the chemical equivalent of natural gas. Due to the fact that methane is a much more potent greenhouse gas than carbon dioxide, the sequestration of the gas is highly incentivized by the government, resulting in very attractive economics for producers. Despite being a complicated/early stage story, we think LFG is a great way to play RNG fundamentals given its strong management team, project backlog and marketing strategy, which locks in a substantial portion of future volumes at attractive prices.

We also added to our position in Colfax Corp (CFX) during the period. Shares of CFX are down more than 20% from their recent highs amidst general market malaise, the Russia/Ukraine conflict and the Omicron wave. Early in the quarter, Omicron fears gave way to concerns regarding the potential for further delays in elective procedures in the Med Tech business. As these headwinds began to dissipate, geopolitical turmoil combined with concerns around the economic cycle started to weigh on the shares. While we think the near term could be choppy for the stock, we think CFX shares offer attractive value at current levels. As a reminder, CFX will split into two companies at the beginning of the second quarter (ESAB - welding business / Enovis - medical device business). Using a conservative sum-of-the-parts valuation, we see upside into the $50+ range. As such, we decided to use recent weakness to add to our position.

In closing, we are pleased to have held up modestly better than the index in what was a rocky start to the year. Though we put some cash to work during the quarter in names we are excited about, we still carry meaningful cash balance (roughly 7.5%), which should provide us some flexibility should conditions remain volatile.

Top Ten Holdings[1] - % of Net Assets

as of 03/31/2022

Monarch Casino & Resort Inc	8.45
Alight Inc	5.86
Cannae Holdings Inc	4.05
Kinsale Capital Group Inc	3.82
Verra Mobility Corp	3.76
Perrigo Company PLC**	3.62
NewMarket Corp	3.56
Evoqua Water Technologies Corp	3.48
J & J Snack Foods Corp	3.32
SL Green Realty Corp	3.24

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 March 31, 2022.

	Q1 2022	1 Year	3 Year*	5 Year*	Since Inception* 12/31/14
Small Cap Focus Fund (DSCPX)	-6.10	6.85	19.28	14.22	12.59
Russell 2000® Index	-7.53	-5.79	11.74	9.74	9.19
30-Day SEC Yield: -0.03%; Expense Ratio: 0.93% Current Expense Ratio†: 0.87%					

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

The Davenport Balanced Income Fund (DBALX) declined 1.46% during the first quarter of 2022, ahead of the 2.23% decline for the blended 60% Russell 1000® Value and 40% Bloomberg Barclays Intermediate Government/Credit® Index.

After a strong 2021, the first quarter of 2022 brought more volatility to the markets. Russia invaded Ukraine leading to spiking commodity prices, inflation soared to levels not seen in roughly 40 years, the Federal Reserve began raising interest rates, and stimulus continued to wane. While many pockets of the equity market saw large intra-quarter declines, value stocks held up fairly well with the Russell 1000 Value index dipping 6% in February compared to the 12% dip for the S&P 500® Index. The Russell ended the quarter down only 0.74% compared to the 4.60% decline for the S&P. Given the Fund's value bias, we were pleased to see the equity portion of the Fund perform well to start the year.

Given the previously mentioned spike in commodity prices, our energy and materials stocks were our top contributors to equity performance, with our oil themed stocks Coterra Energy Inc. (CTRA) and Chevron Corp (CVX) increasing more than 40% each, and Devon Energy Corp (DVN) increasing nearly 35%. Gold miner Newmont Corp (NEM) also proved resilient, increasing nearly 30%. Our biggest detractors included Cannae Holdings Inc. (CNNE) and Stewart Information Services Corp (STC). Shares of Cannae have continued to decouple from the intrinsic value of its holdings, with the discount to net asset value now at a record 40% as of year-end. While frustrating, we continue to exercise patience as we believe the fundamentals of the underlying businesses are strong at the discount should narrow over time. As a title insurer, Stewart shares have underperformed as investors have grown concerned over rising mortgage rates impacting new home sales and home refinancing. While rising rates are certainly a headwind, we continue to have a favorable housing outlook as demand remains strong and supply remains sparse.

After years of outsized returns in equities, we expect more muted returns moving forward, especially given the macro headwinds outlined above. As such, transactions during the quarter focused on seeking lower risk and higher yielding names. Shares of McDonald's Corp (MCD) were down significantly on fears relating to the Russia/Ukraine conflict as well has higher input costs. We used this weakness to add to our position as the company has repeatedly proved its ability to pass through costs and offset inflation. Moreover, the company pays a handsome dividend which has grown at more than 7% annually over the last 10 years. We also purchased a position in Verizon Communications Inc. (VZ), a low volatility name with an improving growth profile and an attractive 5% dividend yield and valuation.

The bond allocation consists of 32 high quality bonds across ten sectors with the top allocation financials at 18.54%, consumer discretionary at 15.37%, U.S. Treasuries at 15.01%, and energy at 12.49%. The credit quality of the fixed portion remains high investment grade with an effective maturity of 3.25 years and a duration of 2.89 years, down from 3.44 years at the beginning of the 2022.

Our allocation to floating rate notes within the fixed portion of the fund increased to 12.3% from 4.54% during the quarter. With the Fed signaling to be more apt to raise rates at a faster clip to stave off inflation, floating rate notes should benefit in a rising rate environment. We initiated floating rate positions in Deere & Co (DE FRN 2025), Charles Schwab Corp (SCHW FRN 2024), and U.S. Treasury 2024. More clarity on the Fed's intentions to increase Fed Funds also forced the front end of the yield curve to reprice. Two year Treasuries began the year at 0.734%, but sold off enough allowing us the opportunity to initiate a 2-year treasury position at 2.33%, increasing our credit quality.

We decided to exit two of our longer duration positions, Comcast Corp (CMCSA 3.15 2028) and Halliburton Co (HAL 3.8 2025), with the intent to shorten our duration. With the proceeds, we bought Brookfield Asset Management Inc. (BAMACN 4 2024) and DuPont de Nemours Inc. (DD 4.205 2023), both short duration high coupon positions. So, our main focus is on adding floating rate notes, short dated treasuries, short duration high coupon bonds, and exiting longer duration corporates.

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

as of 03/31/2022

Brookfield Asset Mgmt Inc**	2.01
SL Green Realty Corp	1.94
Johnson & Johnson	1.80
Berkshire Hathaway Inc	1.71
Watsco Inc	1.68
Perrigo Company PLC	1.68
Fairfax Financial Holdings Ltd	1.67
United Parcel Service Inc	1.59
Coterra Energy Inc	1.51
Markel Corp	1.48

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 March 31, 2022.

	Q1 2022	1 Year	3 Year*	5 Year*	Since Inception* 12/31/15
Balanced Income Fund (DBALX)	-1.46	7.50	8.57	6.75	7.25
60% Russell 1000® Value/40% BBIGC Index	-2.23	5.25	8.77	7.19	7.91
30-Day SEC Yield: 1.54%; Expense Ratio: 0.93% Current Expense Ratio†: 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.

[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.

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†The Current Expense Ratio is the expense ratio as a percentage of the Fund's average daily net assets as of the date listed above. The Current Expense Ratio may fluctuate based upon a number of factors, including changes in the Fund's net assets.

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 2022. 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 **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 **Lipper Large Cap Value Index** measures an unmanaged, equally weighted performance index of the 30 largest qualifying mutual funds (based on net assets). The **S&P GSCI Index** measures the performance of the commodities market. **An investor cannot invest in these indices and their returns are not indicative of the performance of any specific investment**.