

# Davenport Core Leaders Portfolio Overview



One James Center | 901 East Cary Street, Suite 1100 | Richmond, VA 23219  
Davenport & Company LLC Member: NYSE•FINRA•SIPC  
Securities & Advisory Services Offered Through Davenport & Company LLC

## Since 1863

- Founded in 1863, Davenport is a full-service investment firm headquartered in Richmond, Virginia with over 400 associates and locations throughout the Mid Atlantic.

## Independence

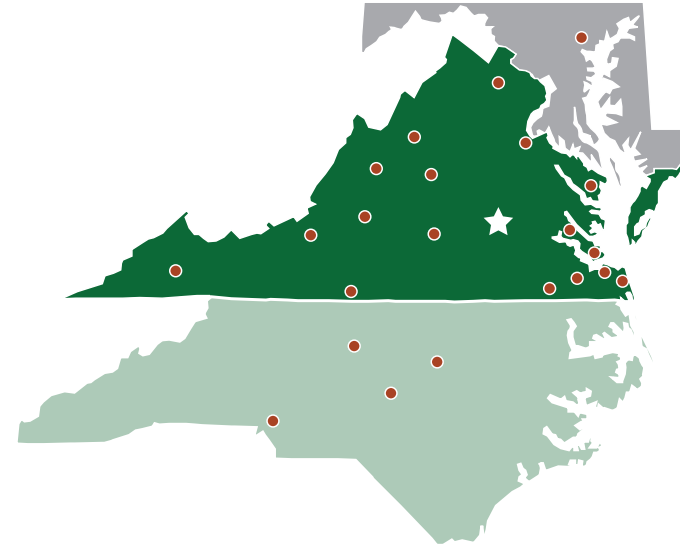
- We are 100% employee-owned with a strong commitment to independence that enables us to remain solely focused on meeting the needs of our clients and putting their interests first.

## Building Wealth Together

- We view each client relationship as a partnership in building wealth together.

## Stability & Experience

- For more than 150 years, we've provided financial insight and guidance to generations of families and institutions.



## At A Glance

- Boutique money manager with **\$9.7** billion in assets under management
- Davenport Employee Profit-Sharing Plan formed in 1972
- Davenport Asset Management founded in 1984
- 100% employee-owned with a strong ownership culture



Davenport Asset Management was formed in 1984 and spawned by our very own profit-sharing plan. To this day all of our employees continue to invest alongside our clients.



## What Makes Us Different



### Experience

- A historical perspective of market cycles from over 38 years as an active money manager
- Parent, Davenport & Company LLC, a full-service investment firm established in 1863
- Our Portfolio Managers\* average 34 years of investment experience and 25 years of firm tenure



### We Invest Alongside Our Clients

- Dedicated investment professionals with skin in the game
- Davenport's Profit-Sharing Plan is exclusively invested in our proprietary strategies



### A Partnership With Each Client

- Personalized service and access to our decision makers
- Preference toward like-minded investors with long-term perspective

\*Please refer to Appendix for bios.

## Investment Philosophy:



We believe a consistent investment discipline combined with risk management\* leads to out-performance over a complete market cycle with lower volatility.

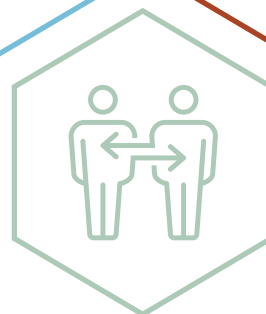


Starting with rigorous fundamental and qualitative analysis



Emphasizing superior business models and quality management teams

Approaching each investment as a co-owner of the business



Measuring performance over years, not quarters or months

\*Risk is measured by standard deviation. Standard deviation is the variability of returns around the average return.

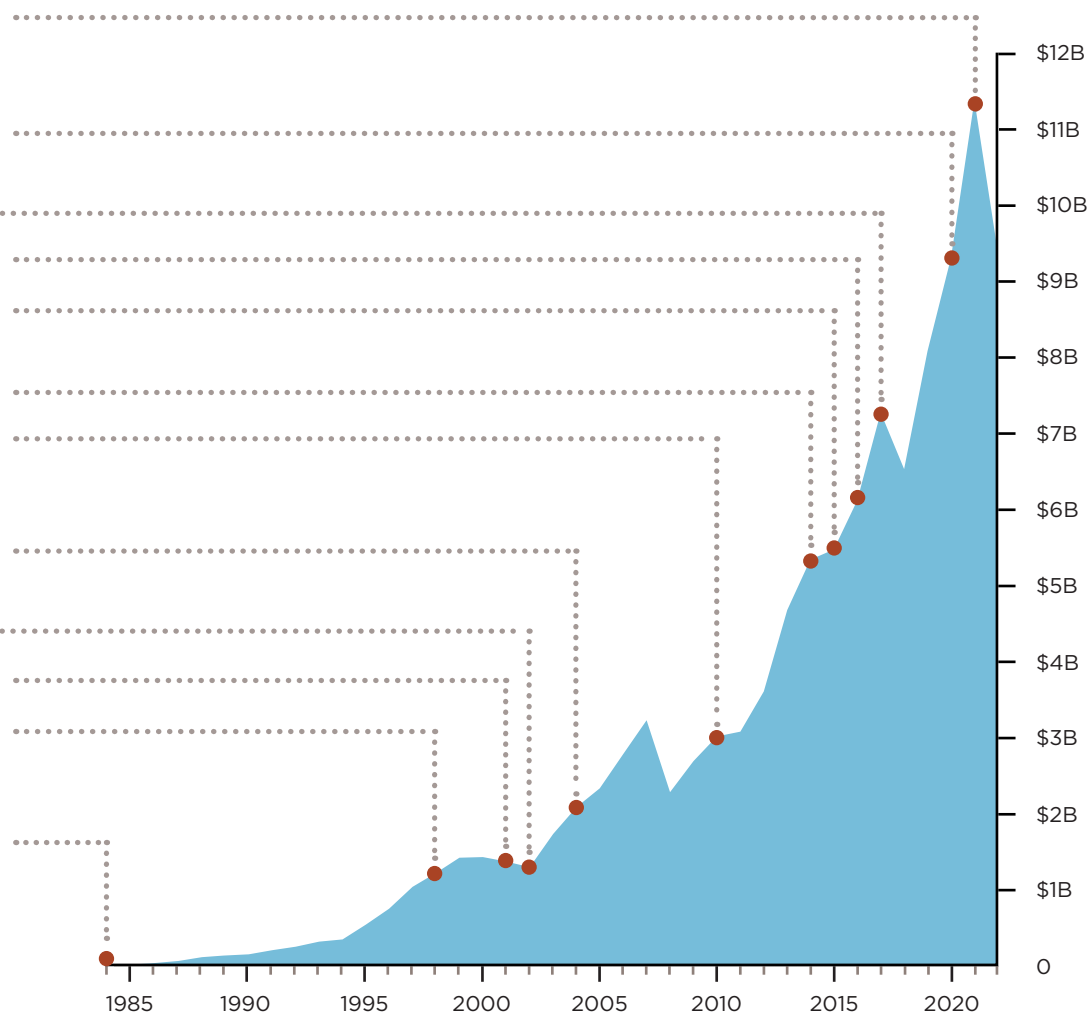
# Davenport Asset Management: Overview



## Assets Under Management

Our History Timeline: 1984 - 2022

- 2021** 10-year anniversaries of Davenport Equity Opportunities Fund and Davenport Value & Income Fund
- 2020** 5-year anniversary of the Davenport Small Cap Focus Fund
- 2017** Launch of Davenport ETFAdvisor
- 2016** Launch of Davenport Balanced Fund (DBALX)
- 2015** Growing to \$5B in assets and launch of Davenport Small Cap Focus Fund (DSCPX)
- 2014** Celebration of 30 years managing client assets
- 2010** Launch of two new no-load Funds - Davenport Equity Opportunities Fund (DEOPX) and Davenport Value & Income Fund (DVIPX)
- 2004** Launch of Davenport Equity Opportunities Portfolio
- 2002** Launch of Davenport FundAdvisor
- 2001** Launch of Davenport Value & Income Portfolio
- 1998** Growing to \$1B in assets and Davenport's first no-load mutual fund - Davenport Core Leaders Fund (DAVPX)
- 1984** Inception of Davenport Asset Management and launch of Davenport Core Leaders Portfolio
- 1972** Inception of Davenport Employee Profit-Sharing Plan



**You should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The Fund's prospectus contains this and other important information, should be read carefully before investing or sending money, and can be obtained by contacting your Financial Advisor, [www.investdavenport.com](http://www.investdavenport.com) or by calling (800) 846-6666.**

Investing involves risk, including loss of principal. Mutual funds are distributed by Ultimus Fund Distributors, LLC. (Member FINRA). 16774506-UFD-4/24/2023

## Professionally Managed Investments

### EQUITY SEPARATE ACCOUNTS

- Core Leaders Portfolio  
*High-quality, growth focus*
- Value & Income Portfolio  
*Value focus, dividend emphasis*
- Equity Opportunities Portfolio  
*Flexible, concentrated, opportunistic*

### THE DAVENPORT FUNDS\*

- Davenport Core Leaders Fund (DAVPX)
- Davenport Value & Income Fund (DVIPX)
- Davenport Equity Opportunities Fund (DEOPX)
- Davenport Small Cap Focus Fund (DSCPX)
- Davenport Balanced Fund (DBALX)

## Available Exclusively to Davenport & Company Advisors and Their Clients

### FIXED INCOME SEPARATE ACCOUNTS

- Dynamic approach to managing interest rate and credit risk
- Conservative focus designed to meet individual client needs

### FUNDADVISOR & ETFADVISOR

- Globally diversified portfolios of mutual funds or ETFs that provide varying levels of risk and return

### MANAGERSELECT

- Additional stock and bond strategies selected by Davenport's Manager Research Team

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## Core Leaders Portfolio Management

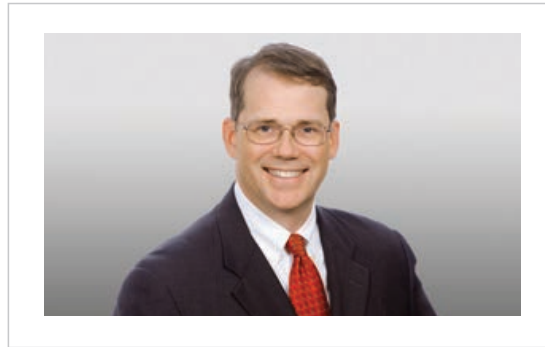


**George L. Smith III, CFA**  
*Senior Vice President*  
*Chairman, Investment Policy Committee*

Co-Manager:

- Core Leaders Portfolio
- Value & Income Portfolio
- Equity Opportunities Portfolio
- Small Cap Focus Fund
- Balanced Fund

In the Industry since 1997  
With Davenport since 1997  
BS, Finance, University of Richmond



**Jeffrey Omohundro, CFA**  
*Senior Vice President*  
*Member, Investment Policy Committee*  
*Research Analyst*

Co-Head:

- Equity Research

Co-Manager:

- Core Leaders Portfolio

In the Industry since 1991  
With Davenport since 2012  
MBA, University of Virginia  
BA, University of Virginia



**Christopher G. Pearson, CFA**  
*Senior Vice President*  
*Member, Investment Policy Committee*

Co-Manager:

- Core Leaders Portfolio
- Equity Opportunities Portfolio
- Small Cap Focus Fund

In the Industry since 2006  
With Davenport since 2006  
BS, Business Administration with a concentration in Finance, University of Richmond



## Investment Policy Committee



**George L. Smith III, CFA**  
*Senior Vice President*  
*Chairman, IPC*  
Co-Manager, Core Leaders Portfolio, Value & Income Portfolio, Equity Opportunities Portfolio, Small Cap Focus Fund, Balanced Fund  
In the Industry since 1997  
With Davenport since 1997  
BS, Finance, University of Richmond



**Michael S. Beall, CFA**  
*Executive Vice President*  
Co-Manager, Value & Income Portfolio, Balanced Fund  
In the Industry since 1980  
With Davenport since 1980  
BA, MS – Accounting, University of Virginia



**John P. Ackerly IV, CFA**  
*Senior Vice President*  
In the Industry since 1987  
With Davenport since 1994  
BA, History, University of Virginia  
MBA, Virginia Commonwealth University



**Adam Bergman, CFA**  
*Senior Vice President*  
Co-Manager, Value & Income Portfolio, Balanced Fund  
In the Industry since 1996  
With Davenport since 2022  
BS, Commerce; University of Virginia



**E. Trigg Brown Jr.**  
*Executive Vice President*  
In the Industry since 1977  
With Davenport since 1982  
BA, Economics, University of Virginia



**Robert B. Giles**  
*Executive Vice President*  
In the Industry since 1967  
With Davenport since 1967  
Attended University of Richmond



**Jeffrey Omohundro, CFA**  
*Senior Vice President*  
*Research Analyst*  
Co-Head of Equity Research  
Co-Manager, Core Leaders Portfolio  
In the Industry since 1991  
With Davenport since 2012  
BA, University of Virginia  
MBA, University of Virginia



**Christopher G. Pearson, CFA**  
*Senior Vice President*  
Co-Manager, Core Leaders Portfolio, Equity Opportunities Portfolio & Small Cap Focus Fund  
In the Industry since 2006  
With Davenport since 2006  
BS, Business Administration with a concentration in Finance, University of Richmond



**Joel M. Ray, CFA**  
*Senior Vice President*  
*Co-Head of Equity Research*  
In the Industry since 1981  
With Davenport since 2004  
BA, Biology, Colgate University;  
MBA, Health Care Management, Cornell University

## Investment Policy Committee Members

- An average of 36 years of Investment experience
- An average of 27 years of Davenport tenure
- An average of 13 years of Committee tenure

## Research Supporting the IPC



**Kevin Bennett, CFA**  
*First Vice President*  
Research Analyst

In the Industry since 2007  
With Davenport since 2016  
(and from 2007-2011)

BS, Business, Virginia Polytechnic  
Institute and State University



**Justin Corlett**  
Junior Research Analyst

In the Industry since 2021  
With Davenport since 2021

BS, Finance, Christopher  
Newport University  
MBA, Business Analytics,  
William & Mary



**Evan Gilbert, CFA**  
*Vice President*  
Research Analyst

In the Industry since 2018  
With Davenport since 2018

BA, Economics and Business,  
Virginia Military Institute



**Will Halladay, CFA**  
*Associate Vice President*  
Research Analyst

In the Industry since 2018  
With Davenport since 2022

BA, Economics, Foreign Affairs;  
University of Virginia



**Drake Johnstone**  
*Senior Vice President*  
Research Analyst

In the Industry since 1998  
With Davenport since 1998

BS, Yale University  
MBA, University of Virginia



**Ann Gurkin**  
*Senior Vice President*  
Research Analyst

In the Industry since 1990  
With Davenport since 1999

BS, English, Hollins University  
MBA, University of Richmond



**Brian Ward, CFA**  
*First Vice President*  
Research Analyst

In the Industry since 2013  
With Davenport since 2013

BS, Business, Virginia  
Polytechnic Institute &  
State University



**Harry Yates IV, CFA**  
*Vice President*  
Research Analyst

In the Industry since 2014  
With Davenport since 2014

BS, Finance & Investments,  
University of South Carolina

## Research Member Experience

- An average of 22 years of Investment experience
- An average of 15 years of Davenport tenure

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## Core Leaders Portfolio

# The Roots of Core Leaders



Launched in 1984



Our First Managed  
Money Product



Modeled After the  
Firm's PSP

## These Roots Run Deep

- The story of the Core Leaders Portfolio begins back in 1972, when the Davenport Employee Profit Sharing Plan was created.
- After years of building a solid investment record for employees, Davenport Asset Management was established in 1984 to invest our clients' assets in the same manner as we had been investing our own. The Core Leaders Portfolio was launched the same year, serving as Davenport Asset Management's flagship strategy.
- Over 38 years later, with billions under management and multiple product launches, our own employees are still investing alongside clients in the strategies offered today.

# The Mission of Core Leaders

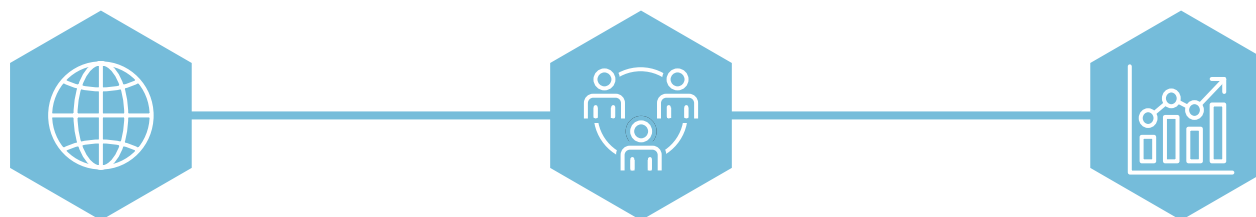
## Our Mission is to Own the World's Best Companies

We seek to generate competitive returns by owning a collection of the world's most established, dominant and durable companies.



## We Look at All Holdings and Investment Opportunities Using the Following Criteria:

- Market capitalizations in excess of \$25 billion
- Industry Leadership: Wide competitive moat with commanding and/or growing market share
- Above-Average Earnings Growth: Favorable 3-5 year EPS trajectory vs. the broader market
- Shrewd Capital Allocation: Savvy use of free cash flow and strong and/or rising ROIC\*
- Balance Sheet Strength: Manageable debt levels and strong credit rating
- Reasonable Valuation: Cheap relative to the market, peers, history or growth rate
- Leadership: Talented, honest and aligned with shareholders



\*Return on invested capital (ROIC) is a calculation used to determine how well a company allocates its capital to profitable projects or investments.

## Exclusionary

- Avoid momentum, high leverage, rich valuations, binary outcomes and poor governance/incentive structures

## Quantitative

- \$25B+ Market Cap
- Strong balance sheets
- Above average growth
- Market Leadership
- High ROIC\*

## Qualitative

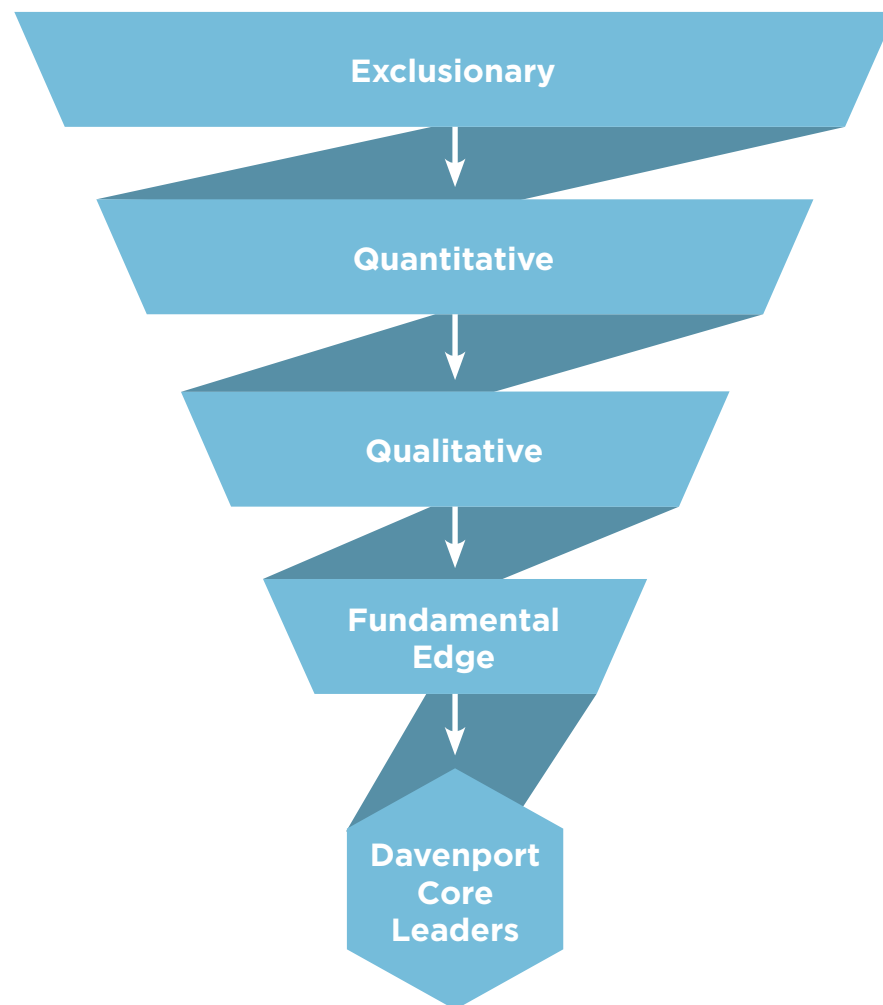
- Durable businesses run by management teams with skin in the game and proven track records of superior capital allocations

## Fundamental Edge

- Deeper level of fundamental research conducted on eligible companies

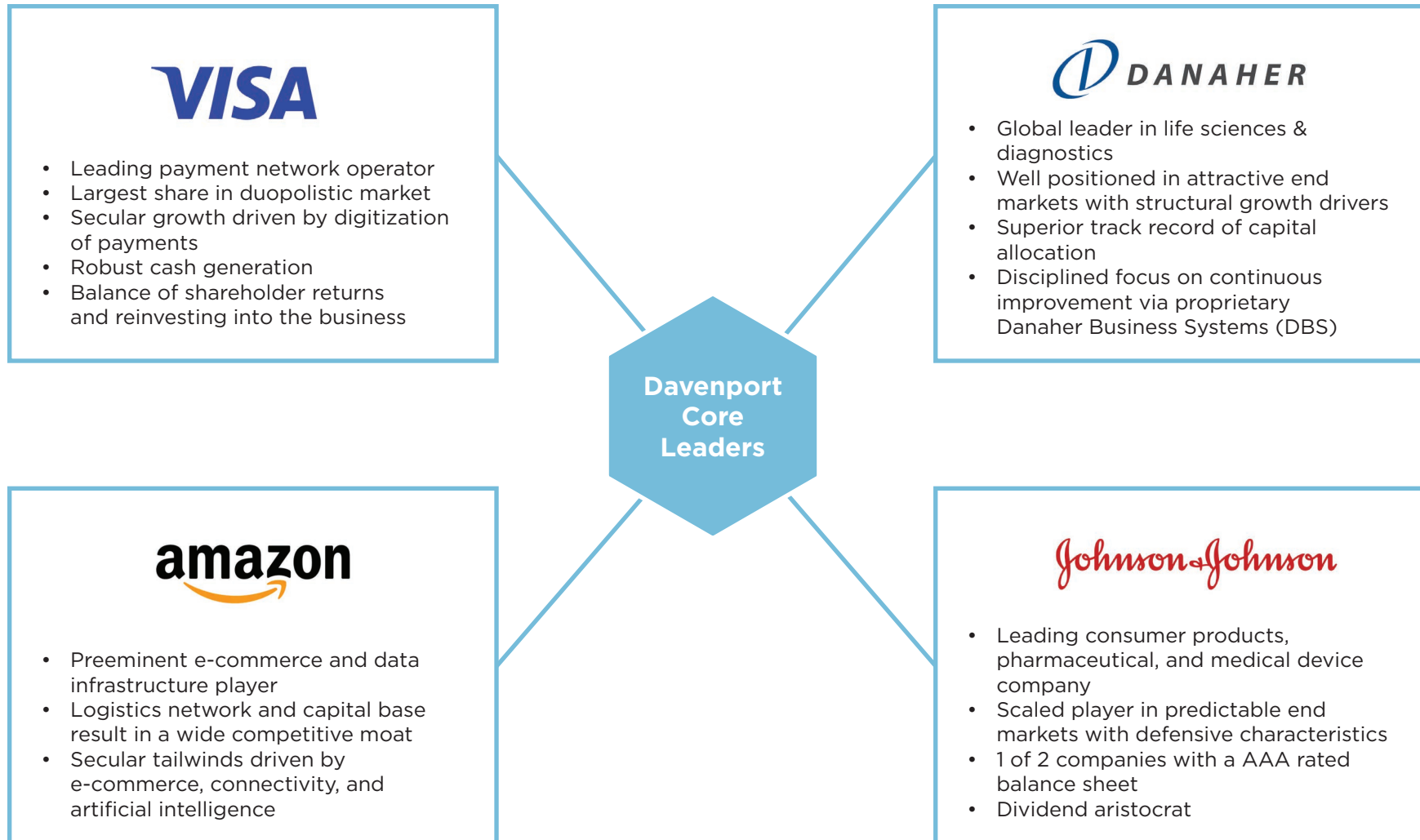
## Davenport Core Leaders

- Portfolio of best perceived risk-adjustment ideas



\*Return on invested capital (ROIC) is a calculation used to determine how well a company allocates its capital to profitable projects or investments.

# Examples of High-Quality Bellwether Businesses



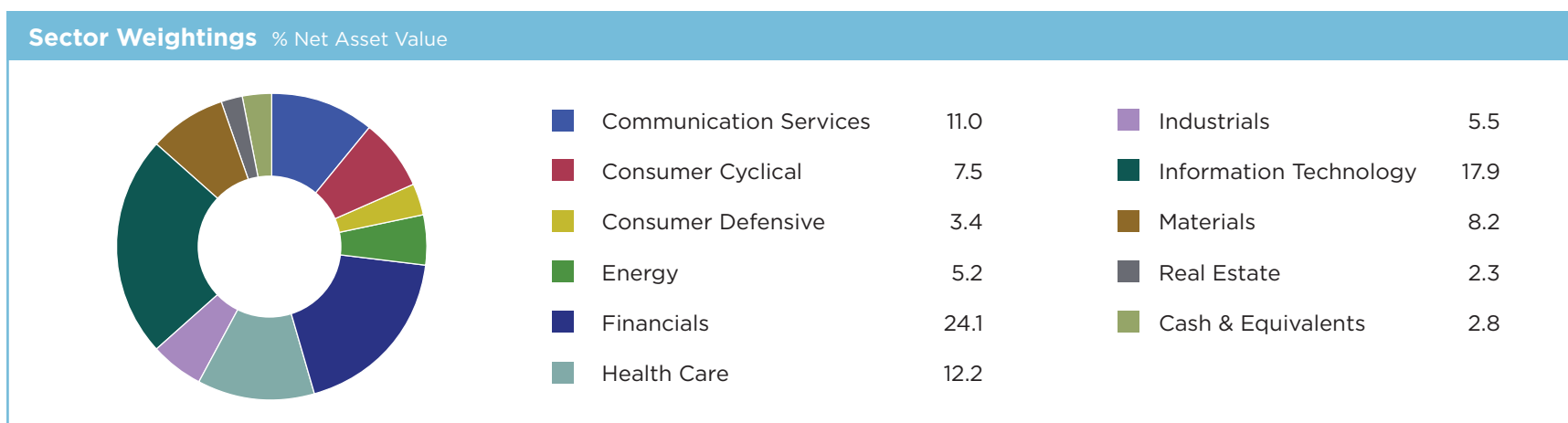
There is no guarantee that a company will continue to pay dividends.



# Core Leaders Holdings

Top 10 Holdings % Net Asset Value	
Microsoft Corp	3.9
Markel Corp	3.6
Danaher Corp	3.6
Amazon.com Inc	3.3
Accenture PLC**	3.2
Air Products and Chemicals Inc	3.2
Adobe Systems Inc	3.2
Mastercard Inc	3.1
Johnson & Johnson	3.1
Meta Platforms Inc	3.0

Portfolio Statistics			
Beta <sup>1</sup>	0.87	# Equity Holdings	43
Alpha <sup>1</sup>	0.72	Avg Mkt Cap (Weighted Average)	\$173.0B
Sharpe Ratio <sup>1</sup>	0.47	Average Credit Rating	A2
R-Squared <sup>1</sup>	95.57	Average Debt to Capital	39.01
Upside Capture Ratio <sup>1</sup>	90.74	Average Return on Equity	24.96
Downside Capture Ratio <sup>1</sup>	86.11	Average Earnings Per Share Growth	14.33



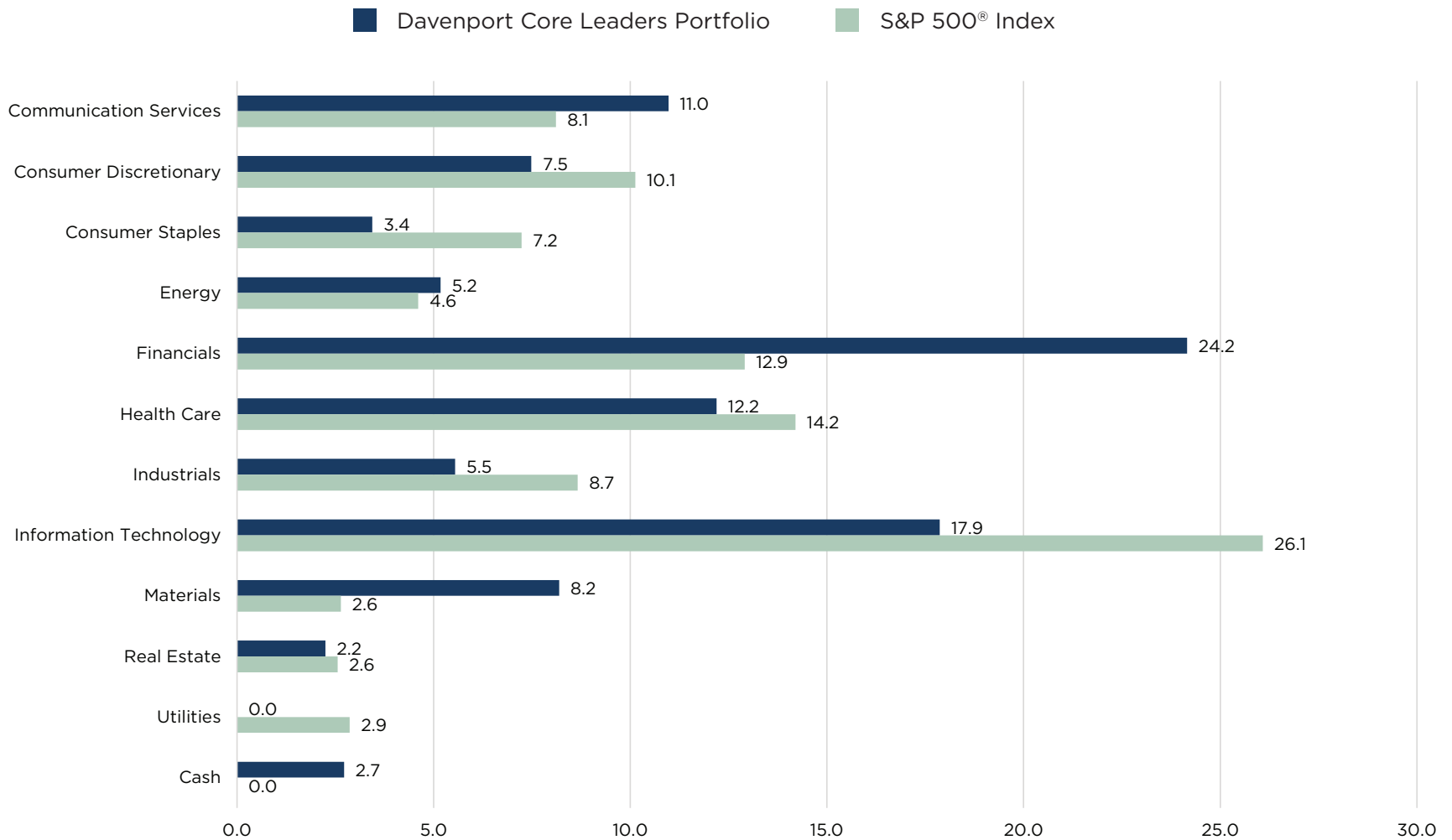
Data as of 03/31/2023.\*\*Foreign Holding. Holdings are subject to change without prior notice. <sup>1</sup>Since 12/31/1983; Source: Morningstar Direct. Data shown versus the S&P 500 through 03/31/2023. ©2023 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Beta** is a measure of the volatility, or systematic (market-related) risk, of a portfolio as compared to the overall market. **Alpha** measures the excess return of your portfolio above the expected return as established by comparison to a beta-adjusted benchmark. The **Sharpe Ratio** indicates the excess returns over a risk-free asset per unit of total risk (where risk is measured by standard deviation). **R-Squared** is a measure of the strength of the relationship between a portfolio and its benchmark. Holdings are subject to change on a daily basis. There is no guarantee that a company will continue to pay a dividend. The **Upside Capture Ratio** measures a manager's performance in up markets relative to the market (benchmark) itself. The **Downside Capture Ratio** measures a manager's performance in down markets relative to the market (benchmark) itself.

Performance shown is historical and is no guarantee of future results. Performance is net of actual investment management fees and includes reinvestment of interest and dividends.

# Sector Weightings vs Benchmark

## Sector Weights



Data as of 03/31/2023. Source: FactSet

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. This illustration is for informational purposes only and is not intended to provide specific financial planning or investment advice. Individual circumstances may vary.



## Risk Management\*

*We look down before looking up*

- Evaluating potential downside at each stage of our process
- Concentrated focus and fewer holdings enables greater depth of knowledge of companies we follow and own
- Avoiding significant business or balance sheet risk



## Monitoring

*Holdings-based, Sector-based*

- Review methodology based on upside and downside targets
- Continuous monitoring of business trends, company management and sector and industry trends
- Avoid over-exposure to external factor risks



## Sell Discipline

Reasons for selling or chipping a position include:

- Deterioration of company or industry fundamentals
- Valuation unsustainable versus projected growth
- Investment thesis invalidated
- Alternative opportunity with superior risk/reward becomes available
- Strong performance resulting in an out-sized position

\*Risk is measured by standard deviation. Standard deviation is the variability of returns around the average return.

# Portfolio Holdings

Sector	Name	Ticker	% Wgt <sup>1</sup>	Industry	Market Cap <sup>2</sup> (\$ Billions)
<b>Communication Services</b>	Alphabet Inc. Class A	GOOGL	2.2%	Interactive Media & Services	1332.8
	Alphabet Inc. Class C	GOOG	0.8%	Interactive Media & Services	1336.3
	Electronic Arts Inc.	EA	2.1%	Entertainment	33.1
	Meta Platforms Inc. Class A	META	3.0%	Interactive Media & Services	554.0
	Walt Disney Company	DIS	2.9%	Entertainment	182.8
<b>Consumer Discretionary</b>	Amazon.com, Inc.	AMZN	3.2%	Broadline Retail	1057.9
	Home Depot, Inc.	HD	1.4%	Specialty Retail	299.8
	TJX Companies Inc	TJX	2.9%	Specialty Retail	90.5
<b>Consumer Staples</b>	Constellation Brands, Inc. Class A	STZ	1.5%	Beverages	41.7
	Costco Wholesale Corporation	COST	1.9%	Consumer Staples Distribution & Retail	220.4
<b>Energy</b>	EOG Resources, Inc.	EOG	2.3%	Oil, Gas & Consumable Fuels	67.4
	Pioneer Natural Resources Company	PXD	2.9%	Oil, Gas & Consumable Fuels	48.2
<b>Financials</b>	Aon Plc Class A	AON	2.0%	Insurance	64.8
	Bank of America Corp	BAC	1.1%	Banks	228.7
	Berkshire Hathaway Inc. Class B	BRK.B	2.8%	Financial Services	676.1
	Brookfield Asset Management Ltd. Class A	BAM	0.6%	Capital Markets	13.1
	Brookfield Corporation	BN	2.4%	Capital Markets	51.3
	Charles Schwab Corp	SCHW	1.4%	Capital Markets	94.4
	Intercontinental Exchange, Inc.	ICE	1.5%	Capital Markets	58.3
	JPMorgan Chase & Co.	JPM	1.8%	Banks	382.4
	Markel Corporation	MKL	3.5%	Insurance	17.1
	Mastercard Incorporated Class A	MA	3.0%	Financial Services	347.4
	Moody's Corporation	MCO	1.6%	Capital Markets	56.1
	Visa Inc. Class A	V	2.4%	Financial Services	463.9

<sup>1</sup>% of equity; Source: Albridge Wealth Reporting. <sup>2</sup>Source: FactSet using iShares Core S&P 500 ETF Holdings and other information are subject to change without prior notice. The information contained herein is based on data obtained from sources believed to be reliable; however, there is no guarantee of its accuracy or completeness. Current and future portfolio holdings are subject to risk.

# Portfolio Holdings

Sector	Name	Ticker	% Wgt <sup>1</sup>	Industry	Market Cap <sup>2</sup> (\$ Billions)
<b>Health Care</b>	Abbott Laboratories	ABT	1.9%	Health Care Equipment & Supplies	176.0
	Danaher Corporation	DHR	3.5%	Life Sciences Tools & Services	183.6
	Johnson & Johnson	JNJ	3.0%	Pharmaceuticals	405.1
	Novo Nordisk A/S Sponsored ADR Class B	NVO	2.0%	Pharmaceuticals	272.5
	UnitedHealth Group Incorporated	UNH	1.9%	Health Care Providers & Services	441.4
<b>Industrials</b>	Honeywell International Inc.	HON	2.2%	Industrial Conglomerates	127.7
	Republic Services, Inc.	RSG	1.5%	Commercial Services & Supplies	42.7
	Union Pacific Corporation	UNP	1.9%	Ground Transportation	123.3
<b>Information Technology</b>	Accenture Plc Class A	ACN	3.1%	IT Services	180.4
	Adobe Incorporated	ADBE	3.1%	Software	176.9
	Apple Inc.	AAPL	2.3%	Technology Hardware, Storage & Peripherals	2612.4
	Broadcom Inc.	AVGO	2.4%	Semiconductors & Semiconductor Equipment	267.5
	Intuit Inc.	INTU	1.7%	Software	125.1
	Microsoft Corporation	MSFT	3.8%	Software	2147.0
	ServiceNow, Inc.	NOW	1.5%	Software	94.3
<b>Materials</b>	Air Products and Chemicals, Inc.	APD	3.1%	Chemicals	63.8
	Martin Marietta Materials, Inc.	MLM	2.8%	Construction Materials	22.0
	Sherwin-Williams Company	SHW	2.3%	Chemicals	58.2
<b>Real Estate</b>	American Tower Corporation	AMT	2.3%	Specialized REITs	95.1

<sup>1</sup>% of equity; Source: Albridge Wealth Reporting. <sup>2</sup>Source: FactSet using iShares Core S&P 500 ETF Holdings and other information are subject to change without prior notice. The information contained herein is based on data obtained from sources believed to be reliable; however, there is no guarantee of its accuracy or completeness. Current and future portfolio holdings are subject to risk.

# Core Leaders Performance



## Composite Returns Net of Fees

	QTD	YTD	1 Year	3 Years*	5 Years*	10 Years*	15 Years*	Since Inception 12/31/98*
Total Return	3.7	3.7	-11.3	13.9	8.0	9.8	8.3	10.6
S&P 500 Return	7.5	7.5	-7.7	18.6	11.2	12.3	10.1	11.1
Lipper Large Cap Core**	6.2	6.2	-6.9	17.5	9.8	10.9	8.9	N/A

Data as of 03/31/2023. \*Returns greater than one year are annualized. \*\**Supplemental Information*; Source: Morningstar Direct. Data shown versus the S&P 500 through 03/31/2023. ©2023 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

**Performance shown is historical and is no guarantee of future results.** Performance is net of actual investment management fees and includes reinvestment of interest and dividends.

The Core Leaders Portfolio (formerly Core Portfolio) is represented by the Core Equity Composite. Composite performance reflects actual economic and market conditions. Significant cash flows and other unique circumstances can affect individual account performance.

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 **Lipper Large Cap Core Funds Index** is an unmanaged index of the 30 largest funds in the Lipper Large Cap Core Fund category. This illustration is for informational purposes only and is not intended to provide specific financial planning or investment advice. Individual circumstances may vary.

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## Investment Team & Personnel

## Investment Policy Committee

### **John P. Ackerly IV, CFA**

*Senior Vice President*

Member, Investment Policy Committee  
BA, History, University of Virginia  
MBA, Virginia Commonwealth University  
In the Industry since 1987  
With Davenport since 1994

- Serves on Davenport's Executive Committee and Board of Directors
- President of the Davenport Mutual Funds
- Past President, Richmond Society of Financial Analysts
- Previously served as Portfolio Manager for Central Fidelity Bank

### **Michael S. Beall, CFA**

*Executive Vice President*

Member, Investment Policy Committee; Co-Manager, Value & Income Portfolio, Balanced Fund  
BA, MS - Accounting, University of Virginia  
In the Industry since 1980  
With Davenport since 1980

- Serves on Davenport's Board of Directors
- Previously worked as an auditor prior to joining Davenport

### **Adam Bergman, CFA**

*Senior Vice President*

Member, Investment Policy Committee; Co-Manager, Value & Income Portfolio, Balanced Fund  
BS, Commerce; University of Virginia  
In the Industry since 1996  
With Davenport since 2022

- Previously a Portfolio Manager for Sterling's Equity Income Fund at Sterling Capital Management
- Previously employed in investor relations at Advance Auto Parts and Dollar Tree Stores

### **E. Trigg Brown Jr.**

*Executive Vice President*

Member, Investment Policy Committee  
BA, Economics, University of Virginia  
In the Industry since 1977  
With Davenport since 1982

- Serves on Davenport's Executive Committee and Board of Directors
- Previously worked at Merrill Lynch

### **Robert B. Giles**

*Executive Vice President*

Member, Investment Policy Committee  
Attended University of Richmond  
In the Industry since 1967  
With Davenport since 1967

- Serves on Davenport's Board of Directors
- Member of Davenport's Portfolio Review Committee

### **Jeffrey Omohundro, CFA**

*Senior Vice President*

Member, Investment Policy Committee; Co-Manager, Core Leaders Portfolio  
BA, University of Virginia  
MBA, University of Virginia  
In the Industry since 1991  
With Davenport since 2012

- Co-Head of Davenport's Equity Research Department

### **Christopher G. Pearson, CFA**

*Senior Vice President*

Member, Investment Policy Committee; Co-Manager, Core Leaders, Equity Opportunities, Small Cap Focus Fund  
BS, Business Administration with Concentration in Finance, University of Richmond  
In the Industry since 2006  
With Davenport since 2006

- Serves on Davenport's Board of Directors
- Previously served as a Research Associate in Davenport's Equity Research Department

### **Joel M. Ray, CFA**

*Senior Vice President*

Member, Investment Policy Committee  
BA, Biology, Colgate University  
MBA, Health Care Management, Cornell University  
In the Industry since 1981  
With Davenport since 2004

- Serves on Davenport's Board of Directors
- Previously worked for JC Bradford & Co., Smith Barney, Kidder Peabody & Co. and Wachovia Securities
- Co-Head of Davenport's Equity Research Department

### **George L. Smith III, CFA**

*Senior Vice President*

Chairman, Investment Policy Committee; Co-Manager, Core Leaders, Value & Income Portfolio, Equity Opportunities, Small Cap Focus Fund, Balanced Fund  
BS, Finance, University of Richmond  
In the Industry since 1997

With Davenport since 1997

- Serves on Davenport's Board of Directors
- Vice President of the Davenport Mutual Funds
- Previously served as an Analyst in Davenport's Equity Research Department



## Research

### **Kevin C. Bennett, CFA**

*First Vice President*

Research Analyst

BS, Business, Virginia Polytechnic Institute & State University  
In the Industry since 2007

With Davenport since 2016 (and from 2007-2011)

- Member of Davenport's Portfolio Review Committee
- Previously served as an Associate Analyst in Davenport's Equity Research Department

### **Will Halladay, CFA**

*Associate Vice President*

Research Analyst

BA, Economics, Foreign Affairs; University of Virginia  
In the Industry since 2018

With Davenport since 2022

- Previously worked as a Research Analyst for TSW (Thompson, Siegel & Walmsley)
- Previously worked as a Financial Analyst and Account Executive for Markel Corporation

### **Brian Ward, CFA**

*First Vice President*

Research Analyst

BS, Business, Virginia Polytechnic Institute & State University  
In the Industry since 2013

With Davenport since 2013

### **Harry R. Yates IV, CFA**

*Vice President*

Research Analyst

BS, Finance & Investments, University of South Carolina  
In the Industry since 2014

With Davenport since 2014

Previously worked for SNL Financial

## Manager Research

### **Geoffrey A. Sulanke, CFA**

*Senior Vice President*

Head of Manager Research & FundAdvisor

BS, Biology, James Madison University  
MBA, Business, College of William & Mary

In the Industry since 2004

With Davenport since 2004

- Serves on Davenport's Board of Directors
- Previously served as an Associate Analyst in Davenport's Equity Research Department

### **D. Matthew Henderson**

*Senior Vice President*

Head of FundAdvisor Administration; Fund & Manager Analyst

BS, Financial Management, Virginia Commonwealth University

In the Industry since 2000

With Davenport since 2000

- Previously served Davenport as a Performance Specialist

## Fixed Income

### **William B. Cleland, CFP®**

*Vice President*

Fixed Income Portfolio Manager & Trader

BBA, Finance, Radford University

In the Industry since 2005

With Davenport since 2005

- Previously worked in Davenport's Operations Department
- Previously a member of the Davenport Asset Management Trading Team.

### **Kevin J. Hopkins Jr., CFA**

*Senior Vice President*

Fixed Income Portfolio Manager

BA, Political Science, Binghamton University

MBA, Investments, University of Notre Dame

In the Industry since 2000

With Davenport since 2019

- Previously worked as Senior Credit Analyst for Deutsche Bank Asset Management
- Previously worked in Fixed Income Capital Markets at Credit Suisse and Lehman Brothers

### **Christopher T. Kelley**

*First Vice President*

Fixed Income Portfolio Manager

BA, Psychology, Harvard University

In the Industry since 2011

With Davenport since 2014

- Previously worked as Sales & Trading Associate at Falcon Square Capital
- Previously worked as Sales & Trading Analyst at Carolina Capital Markets

## Client Portfolio Managers

### **Carly Carmichael**

*Vice President*

BA, International Business & Management, Dickinson College

MBA, Universidad de Malaga

In the Industry since 2014

With Davenport since 2014

- Previously served as Client Service Associate

### **Justin Charnock**

*Associate Vice President*

BS, Psychology, Virginia Polytechnic Institute and State University

In the Industry since 2015

With Davenport since 2022

- Previously worked as a Registered Client Associate, Wells Fargo Advisors

### **T. Rutherford Ferguson**

*First Vice President*

Relationship Manager

BA, Hampden- Sydney College

In the Industry since 2000

With Davenport since 2019

- Previously held VP, Investment Consultant, Caprin Asset Management
- Previously held Regional Sales Consultant, RiverFront Investment Group

### **Herbert F. Hargroves Jr.**

*Vice President*

BS, Finance, University of Alabama

In the Industry since 2012

With Davenport since 2012

- Previously served in Treasury Management for Davenport's Operations Department
- Point of contact for Davenport's partner banks in serving liquidity needs

### **Amanda A. St. John**

*Senior Vice President*

BS, Animal Sciences Virginia Polytechnic Institute and State University

In the Industry since 2004

With Davenport since 2006

- Previously worked as a Financial Specialist at Wachovia

### **Tiffany Long**

*Vice President*

In the Industry since 2007

With Davenport since 2007

- Previously worked as mutual fund specialist and portfolio trader in Davenport Operations

### **Julie H. Preston**

*Vice President*

BS, Finance, University of Florida

In the Industry since 1994

With Davenport since 2008

- Previously served in Davenport's Compliance and Central Supervision departments
- Previously worked as an Analyst for Cornerstone Realty Income Trust
- Previously worked as a Bank Examiner for the Federal Reserve Bank of Richmond

### **J. Rutherford Moore Jr.**

*First Vice President*

BS, Business Administration, Washington & Lee University

In the Industry since 1989

With Davenport since 1998

- Previously worked as Trust Officer at First Community Bank
- Previously worked in residential and commercial real estate lending

### **William Sharp**

*Vice President*

BS, Business Administration, Virginia Commonwealth University

In the Industry since 2001

With Davenport since 2021

- Previously worked as an Overlay Manager at BB&T Scott & Stringfellow

## Account Administration & Client Services

### **Julie M. Apple**

*Vice President*

BS, Business Management, George Mason University

In the Industry since 1997

With Davenport since 2004

- Previously worked as an Annuity Product Internal Wholesaler at GE Life and Annuity

### **Kelley Tyger**

BS, Urban Planning, Virginia Commonwealth University

In the Industry since 2013

With Davenport since 2021

- Previously worked as a Junior Overlay Manager at BB&T Scott & Stringfellow

### **Renita Yoon**

BS, Economics, Utah State University

In the Industry since 2015

With Davenport since 2021

- Previously worked as an Overlay Manager at BB&T Scott & Stringfellow

## Administration

### **Cheryl A. Hatcher**

*Senior Vice President*

BA, Fine Arts, Virginia Commonwealth University

In the Industry since 1997

With Davenport since 1997

- Vice President of the Davenport Mutual Funds
- Member of Davenport's Ethics & Best Execution Committees
- Member of FMA Committee

# Client Service & Personnel



## Sales & Marketing

### **Destiny R. Cejka**

BFA, Media Arts & Animation, Art Institute of Washington  
In the Industry since 2022  
With Davenport since 2022

### **Geoffrey M. Glisson**

*First Vice President*

Head of Marketing

BFA, Maryland Institute College of Art

In the Industry since 2019

With Davenport since 2019

- Previously held Senior Digital Marketing Specialist role at Markel Corporation
- Previously held Art Director role at a boutique ad agency, Madison+Main

### **Ehan Keator**

*Associate Vice President*

MA, International Relations with Economics,

University of St. Andrews (UK)

In the Industry since 2021

With Davenport since 2021

### **C. Wright Ramsey, CFP®**

*First Vice President*

BS, Civil Engineering, Bucknell University

In the Industry since 2002

With Davenport since 2008

- Previously worked as an Investment Analyst for a registered investment advisory firm

### **Patrick T. Slack**

*First Vice President*

BA, English, Roanoke College

In the Industry since 1996

With Davenport since 2014

- Previously worked in external sales distribution for Stadion Money Management and Genworth Wealth Management
- Previously worked as a Senior Vice President and relationship manager at Wachovia Securities and Evergreen Investments
- Previously worked retail and institutional operations with Bank of America
- Started career with Wheat First Butcher Singer

### **Laura E. Sturgill**

*Associate Vice President*

BFA, Graphic Design, Longwood University

In the Industry since 2019

With Davenport since 2019

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# Appendix

# Investment Management Fees\*



## Fee-Only

Investment advisory fees are calculated on the market value of assets under management, including cash, on the last business day of the prior calendar quarter, and are charged against the account on a quarterly basis, in advance, at the following annual rates:

### Equity Strategies:

- 1.50% of the first \$1 million or portion thereof in market value
- 1.25% of market value between \$1 million and \$5 million
- 1.00% of market value above \$5 million

### Fixed Income Only:

- 0.40% of the first \$1 million or portion thereof in market value
- 0.30% of market value between \$1 million and \$5 million
- 0.20% of market value above \$5 million

*The fee is inclusive of investment advisory services, custody of assets and execution services where applicable and is generally a percentage of assets under management.*

In addition to the portfolio fee, assets that are invested in mutual funds (including money- market funds), Unit Investment Trust's ("UITs"), ETFs, managed futures funds or other similar types of pooled investment vehicles will bear a proportionate share of the investment product's management and administrative fees and sales charges, including advisory fees paid to the ETF's or mutual fund's investment advisors.

## Fee Plus Commission

Investment advisory fees are calculated on the market value of assets under management, including cash, on the last business day of the prior calendar quarter, and are charged against the account on a quarterly basis, in advance, at the annual rates listed below.

- 0.75% of first \$1 million or portion thereof in market value
- 0.50% of market value between \$1 million and \$5 million
- 0.30% of market value above \$5 million

*Commission charges for security trades are discounted from the standard commission schedule for the Fee plus Commission options.*

Strategy	Minimum Account Size
Core Leaders <i>plus</i> Fixed Income	\$400,000
Core Leaders Equity Only	\$250,000
Value & Income Equity Only	\$250,000
Value & Income <i>plus</i> Fixed Income	\$400,000
Equity Opportunities	\$250,000
Fixed Income Only	\$500,000

Strategy	Minimum Account Size
Core Leaders <i>plus</i> Fixed Income	\$5,000,000
Core Leaders Equity Only	\$5,000,000
Value & Income <i>plus</i> Fixed Income	\$5,000,000
Equity Opportunities	\$5,000,000
Fixed Income Only	\$5,000,000

\*In some instances, fees and minimums may be negotiated.

# Glossary of Terms

**Absolute Returns:** the nominal percentage return of a mutual fund.

**Alpha:** measures the excess return of your portfolio above the expected return as established by comparison to a beta-adjusted benchmark.

**Average Market Cap:** the average total dollar market value of all of a company's outstanding shares.

**Average Maturity:** the average time for the return of a bond portfolio's return of principal.

**Average YTM (Yield to Maturity):** expected rate of return for a portfolio if all bonds are held to maturity.

**Beta:** a measure of the volatility, or systematic (market-related) risk, of a portfolio as compared to the overall market.

**Bond Ratings:** a grade given to bonds that indicates their ability to pay interest and principal. Rating services such as Standard & Poor's and Moody's provide these evaluations of a bond issuer's credit strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings range from Aaa/AAA to Baa3/BBB-. Issuers included in these categories are termed investment grade.

**Correlation (R-Squared):** a measure of the strength of the relationship between a portfolio and its benchmark. R-Squared is the square of correlation. It indicates the percentage of the portfolio's movements that can be explained by the movements of the benchmark.

**Dividend Yield:** a ratio that shows how much a company pays out in dividends each year relative to its share price.

**Downside Capture Ratio:** measures a manager's performance in down markets relative to the market (benchmark) itself

**Max Drawdown:** represents the manager's largest loss during any sub-period of the entire time period.

**Performance (Returns) Based Style Analysis:** calculates a style benchmark for a portfolio from a portfolio's return series and the return series of a select set of indices to create a blend of indices that most closely tracks the returns of the mutual fund over the period analyzed.

**Quartile:** a range of numbers that is arranged in order of value can be divided into four sections of an equal number of observances such that each section represents 25% of the total number of observances, each section of 25% is known as a quartile.

**Sharpe Ratio** indicates the excess returns over a risk-free asset per unit of total risk (where risk is measured by standard deviation).

**Standard Deviation:** the variability of returns around the mean return.

**Upside Capture Ratio** measures a manager's performance in up markets relative to the market (benchmark) itself.

**U.S. Agency:** a bond issued by a government agency. An investor cannot invest in an index, and its returns are not indicative of the performance of any specific investment.

## Important Risk Information:

**Risk:** can be defined and measured in many different ways. Davenport uses the following measures to evaluate risk for the Monitoring Criteria:

1. **Beta**—market risk or non-diversifiable risk. It can be thought of as the sensitivity of a portfolio's returns to the returns of the market.
2. **Standard Deviation**—the variability of returns around the average return. Roughly two-thirds of the portfolio's returns fall within the average return plus or minus one standard deviation.

**Risk-Adjusted Returns:** returns that have been adjusted for the risk that the mutual fund has taken over the period being measured. Davenport uses the following measures when evaluating risk-adjusted returns for the Monitoring Criteria:

1. **Alpha**—a measure of value added. It can be thought of as the portfolio's return if the market returned nothing.
2. **Information Ratio**—a measure of excess return per unit of excess risk (as measured by Tracking Error).
3. **Sharpe Ratio**—a measure of reward (excess return over the risk-free rate) per unit of risk taken (as measured by Standard Deviation).

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# Core Leaders Equity Composite Net of Fees



Period	Total Return %	Benchmark Return % S&P 500	Lipper Large Cap Core**	Number of Portfolios	Composite Assets at End of Period (USD mm)	% of Firm Assets	Total Firm Assets Under Management (USD mm)	Internal Dispersion	Composite 3-Year Std Dev†	Benchmark 3-Year Std Dev†
Q1 2023	3.7	7.5	6.2	2,248	2,164.0	22%	9,663.3			
Year to Date	3.7	7.5	6.2							
1 Year	-11.3	-7.7	-6.9							
3 Years*	13.9	18.6	17.5							
5 Years*	8.0	11.2	9.8							
10 Years*	9.8	12.3	10.9							
15 Years*	8.3	10.1	8.9							
Since Inception*	10.6	11.1	N/A							
2022	-19.9	-18.1	-17.0	2,270	2,157.5	23%	9,414.0	0.5	N/A	N/A
2021	23.1	28.7	25.9	2,244	2,880.2	25%	11,489.5	2.2	N/A	N/A
2020	14.0	18.4	16.1	2,122	2,463.0	26%	9,397.3	N/A	N/A	N/A
2019	32.2	31.5	28.8	1,099	1,075.6	13%	8,161.2	1.2	11.57	11.93
2018	-6.2	-4.4	-5.7	1,101	868.3	13%	6,595.5	0.6	10.71	10.80
2017	19.5	21.8	21.6	1,056	922.3	13%	7,347.5	0.8	9.41	9.92
2016	8.9	12.0	12.3	1,042	811.8	13%	6,177.6	0.7	10.36	10.59
2015	-0.1	1.4	-0.7	1,000	754.6	14%	5,524.2	0.8	10.26	10.47
2014	10.9	13.7	11.3	911	754.8	14%	5,390.8	1.0	9.15	5.60
2013	31.0	32.4	31.8	810	661.7	14%	4,724.9	1.6	11.53	11.94
2012	16.0	16.0	15.3	667	451.5	12%	3,643.7	1.4	14.13	15.09
2011	1.3	2.1	0.1	596	365.9	12%	3,108.4	1.1	16.17	18.71
2010	14.8	15.1	12.8	585	363.0	12%	3,042.6	1.3		
2009	23.4	26.5	28.2	611	330.4	12%	2,717.0	3.6		
2008	-34.1	-37.0	-37.1	661	295.7	13%	2,305.0	1.8		
2007	12.7	5.5	6.6	654	454.4	14%	3,259.4	1.8		
2006	12.6	15.8	13.4	625	394.5	14%	2,811.8	1.7		
2005	4.6	4.9	5.7	553	319.9	14%	2,354.9	1.2		
2004	11.1	10.9	8.3	503	283.3	13%	2,109.0	1.7		
2003	24.2	28.7	24.8	470	227.5	13%	1,749.3	2.0		
2002	-16.0	-22.1	-21.3	349	140.3	11%	1,309.6	2.8		
2001	-12.1	-11.9	-12.9	214	109.9	8%	1,383.6	2.9		
2000	-1.8	-9.1	-7.4	133	66.8	5%	1,442.3	5.1		
1999	8.9	21.0	19.4	78	38.8	3%	1,432.9	5.1		
1998	14.4	28.6	N/A	579	567.8	46%	1,231.1	3.4		
1997	32.4	33.3	N/A	356	369.8	38%	974.1	3.5		
1996	19.9	22.9	N/A	237	219.2	36%	604.8	4.3		
1995	31.9	37.5	N/A	136	140.3	32%	443.0	7.1		
1994	0.7	1.3	N/A	94	77.2	25%	304.7	2.9		
1993	10.0	10.1	N/A	68	67.3	27%	250.8	6.6		
1992	11.7	7.6	N/A							
1991	30.9	30.4	N/A							
1990	-2.3	-3.1	N/A							
1989	30.7	31.6	N/A							
1988	16.6	16.6	N/A							
1987	3.0	5.2	N/A							
1986	18.5	18.7	N/A							
1985	33.7	31.8	N/A							
1984	13.6	6.3	N/A							

**Performance shown is historical and is no guarantee of future results.** Performance includes reinvestment of interest and dividends and is net of actual investment management fees. Composite performance reflects actual economic and market conditions. Significant cash flows and other unique circumstances can affect individual account performance.

\*Returns greater than one year are annualized. \*\*Supplemental Information. Since Inception Date: 1/1/84 †Prior to 2011, the composite and benchmark three-year standard deviation were not required.

Davenport Asset Management has prepared and presented this Core Leaders Equity Composite report for the period January 1, 1984 through March 31, 2023 in compliance with the Global Investment Performance Standards (GIPS®). See the following pages for performance disclosures.



## Disclosures: Core Leaders Equity Performance

**Definition of Firm:** Davenport Asset Management (“DAM”) is a separate and distinct business entity of Davenport & Company LLC. DAM manages various investment strategies where DAM is responsible for security selection.

**Strategy Description:** The Core Leaders Strategy blends primarily large capitalization growth and value-oriented equity investments, and has the option of adding high-quality bonds and/or fixed income ETFs. Its goal is to outperform the S&P 500 while taking less risk.

Davenport Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Davenport Asset Management has been independently verified for the periods January 1, 1984 through December 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Core Leaders Composite has had a performance examination for the periods December 31, 1983 through December 31, 2021. Verification does not provide assurance on the accuracy of any specific performance report.

Performance results are presented net of actual investment management fees. The Core Leaders Equity Composite was created on July 1, 2020 and includes the following requirements where applicable among others: use of aggregate return method; use of total return to calculate performance; accrual accounting; use of trade-date reporting; use of time-weighted rates of return, monthly valuation

and geometric linking of period returns; inclusion of cash and cash equivalents in returns; inclusion of all fee-paying, discretionary accounts in at least one composite; no linkage with simulated portfolios; the inclusion of new portfolios at the beginning of the first full month; exclusion of terminated portfolios after the last full month they were in place, but their inclusion for all months prior to terminating. The period from January 1, 1984 through December 31, 1992 does not comply with GIPS® standards in that all full discretionary portfolios were not represented in appropriate composites. Composite results from January 1, 1984 through December 31, 1992 consist only of the results from Davenport’s Profit Sharing Plan. Composite results for the period January 1, 1993 through March 31, 2023 exclude the results from Davenport’s Profit Sharing Plan because it is not a fee-paying portfolio. Cash returns have been allocated on a pro-rata basis for the period January 1, 1984 through December 31, 1992. Annual returns for the period January 1, 1984 through December 31, 1998 are reflective of the fee plus commission composite. Annual returns for the period January 1, 1999 through December 31, 2019 are reflective of the fee only composite. Due to a change to the performance reporting system, the composites were combined July 1, 2020.

Portfolios below \$100,000 and accounts with margin balances have been excluded from the Core Leaders Equity Composites. Performance results are presented in U.S. dollars. A complete list and description of DAM’s composites and additional information regarding the firm’s policies for valuing portfolios, calculating performance and preparing GIPS Reports are available upon request.

**Index Definitions:** 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 Lipper Large Cap Core Funds Index is an unmanaged index of the 30 largest funds in the Lipper Large Cap Core Fund category.

*An investor cannot invest in an index, and its returns are not indicative of the performance of any specific investment.*

Internal Dispersion is a measure of the spread of the annual returns of individual portfolios within a composite; standard deviation is utilized. The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Both are calculated gross of fees.

**Annual Fees:**

**Fee Only:**

- 1.50% on the first \$1,000,000
- 1.25% on the next \$4,000,000
- 1.00% on amounts over \$5,000,000;

**Fee plus commission:**

- 0.75% on the first \$1,000,000
- 0.50% on the next \$4,000,000
- 0.30% on amounts over \$5,000,000;

*The fee is inclusive of investment advisory services, custody of assets and execution services where applicable and is generally a percentage of assets under management.*

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