MARKET COMMENTARY

DAVENPORT 1863
BUILDING WEALTH TOGETHER

JULY 2020

- For the full month, all three major equity indexes increased
- The best performing S&P 500 sector in June was Information Technology
- COVID resurgence prompting businesses and states to reverse or delay reopening
- We remain optimistic on a solid economic recovery once vaccines and or therapeutics to manage COVID-19 become available

DAVENPORT EQUITY RESEARCH

Ann H. Gurkin
(804) 780-2166
agurkin@investdavenport.com

F. Drake Johnstone
(804) 780-2091
djohnstone@investdavenport.com

Jeff Omohundro, CFA
(804) 780-2170
jomohundro@investdavenport.com

Joel M. Ray, CFA
(804) 780-2067
jray@investdavenport.com

Brian Ward, CFA
(804) 698-2664
bward@investdavenport.com

Evan J. Gilbert
(804) 915-2749
egilbert@investdavenport.com

One James Center
901 East Cary Street, Suite 1100
Richmond, VA 23219
(804) 780-2000

Davenport & Company LLC
Member: NYSE | FINRA | SIPC

The World Health Organization warned that "The worst is yet to come" as the spread of the coronavirus pandemic appears to be accelerating in the U.S. The potential economic ramifications of an upsurge in the virus weighed on equity markets in late June although for the full month equities advanced broadly. The VIX Index, or "fear gauge" spiked to over 40 mid-month before settling back to near 30 range at month-end. For the full month, all three major equity indexes increased with the Dow Jones Industrial Average up 1.7%, the S&P 500® index up 1.8%, and the smaller cap weighted Russell 2000® up 3.4%.

The best performing S&P 500 sector in June was Information Technology which increased 7.1% followed by the Consumer Discretionary sector which was up 4.9%. The weakest performances in the month were posted by the Utilities sector which decreased 5.0% followed by the Health Care sector which was down 2.5%. For the twelve month period, the Information Technology sector was the best performer with a 34.1% increase followed by the Consumer Discretionary sector which was up 11.2%, while Energy was the worst performer for the past twelve months with a 39.0% decrease followed by the Financial Services sector which was down 16.0%.

COVID resurgence is muddying the waters for the pace of economic recovery as its spread accelerates across the U.S. Although fast-paced reopening across most states delivered a solid rebound in June economic figures, the turnaround came at a cost - as COVID-19 cases have surged over the second half of June - prompting businesses and states to reverse and or delay reopening schedules. The next few weeks could prove critical as efforts to rein in the surge are employed with at least 23 states pausing on their reopening efforts to combat the spread. On a global basis, 11.42 million cases have been confirmed with about 534,000 deaths.

A record 4.80 million non-farm jobs were added to the U.S. economy in June (well ahead of forecasts targeting 3.10 million job adds) as states moved to reopen with more Americans returning back to work, even as significant layoffs have persisted. (Note that the stats were collected during the week of June 7 - prior to COVID resurgence.) The unemployment rate fell to 11.1% from 13.3% in May coming in below forecasts targeting an unemployment rate of 12.6%. However, we also note that initial filing for unemployment benefits for the week ending June 27 came in at 1.43 million (above consensus forecast at 1.35 million) - with more than 48 million Americans making initial jobless benefits claims in just 15 weeks. Thus, while progress on the jobs front is being made, employment totals remain about 14 million below pre-pandemic levels, while the Cares Act Paycheck Payroll Protection Program and Federal $600 per week supplemental unemployment benefit program wrap up this month.

Where to from here?

Look for choppy market conditions in 2H20 with stocks essentially moving sideways. A range of economic uncertainties will likely continue to overhang markets into yearend 2020, while in general stocks are not cheap. Economic datasets have been encouraging of late - showing signs of initial recovery, although a significant resurgence of COVID broadly across the country has arisen over the past two weeks - reigniting fears among some for a potential second round of business closures. Although we do not look for a repeat of a national shutdown to the economy, we do anticipate hotspot regions will require temporary measures to rein in COVID once again. As such, we anticipate markets will react to news of the day as investors follow economic developments and COVID caseload numbers watching for clarity on impact to the U.S. and global economies. And, a contentious Presidential election season is now poised to unfold that could drive market volatility depending upon latest polling figures as a Democratic administration could bring uncertain changes to the landscape (although markets have historically performed well with a Democrat in the White House).

We remain optimistic stimulus efforts already forthcoming from central banks around the globe along with fiscal programs initiated by many governments will ultimately produce a solid economic recovery once vaccines and or therapeutics to manage COVID-19 become broadly available into next year. As such, we continue to advocate scaling into select quality growth stocks possessing strong balance sheets, differentiated products and services remaining in demand, and, generating free cash flow supporting dividends.

MARKET AND ECONOMIC STATISTICS

Market Indices:	6/30/2020	12/31/2019	% Change YTD	5/29/2020	% Change (Monthly)
S&P Composite	3,100.29	3,230.78	-4.04%	3,044.31	1.84%
Dow Jones Industrials	25,812.88	28,538.44	-9.55%	25,383.11	1.69%
NASDAQ Composite	10,058.77	8,972.60	12.11%	9,489.87	5.99%
Russell 2000	1,441.37	1,668.47	-13.61%	1,394.04	3.40%
FTSE 100	6,169.74	7,542.44	-18.20%	6,076.60	1.53%
Shanghai Composite	2,984.67	3,050.12	-2.15%	2,852.35	4.64%
Nikkei Stock Average	22,288.14	23,656.62	-5.78%	21,877.89	1.88%
Stoxx Europe 600	360.34	415.84	-13.35%	350.36	2.85%
MSCI Emerging Markets	995.10	1,114.66	-10.73%	930.35	6.96%
MSCI Emerging Markets Small Cap	896.17	1,037.81	-13.65%	824.71	8.66%

Performance of S&P 500 by Industry:	% of Index as of 06/30/20	1 Month	3 Month	Year to Date	12 Months
Consumer Discretionary	10.83%	4.90%	32.57%	6.60%	11.19%
Consumer Staples	6.97%	-0.73%	7.32%	-7.05%	0.67%
Energy	2.83%	-1.42%	28.68%	-37.02%	-39.00%
Financials	10.08%	-0.52%	11.41%	-24.62%	-16.00%
Health Care	14.63%	-2.53%	13.06%	-1.72%	8.89%
Industrials	7.99%	1.90%	16.40%	-15.50%	-10.85%
Information Technology	27.46%	7.08%	30.10%	14.21%	34.06%
Materials	2.52%	1.85%	25.28%	-8.04%	-3.35%
Communication Services	10.78%	-0.56%	19.64%	-0.97%	9.53%
Utilities	3.07%	-5.00%	1.84%	-12.61%	-5.31%
Real Estate	2.84%	0.99%	12.33%	-9.96%	-5.05%
S&P 500 (Absolute performance)	100%	1.84%	19.95%	-4.04%	5.39%

Interest Rates:	6/30/2020	12/31/2019	YTD Change (Basis Points)	5/29/2020	Month Change (BPS)
Fed Funds Effective Rate	0.08%	1.55%	-147	0.05%	3
Prime Rate	3.25%	4.75%	-150	3.25%	0
Three Month Treasury Bill	0.15%	1.53%	-138	0.13%	2
Ten Year Treasury	0.62%	1.92%	-129	0.65%	-3
Spread - 10 Year vs 3 Month	0.47%	0.39%	8	0.52%	-5

Foreign Currencies:	6/30/2020	12/31/2019	% Change YTD	5/29/2020	% Change (Monthly)
Brazil Real (in US dollars)	0.18	0.25	-26.4%	0.19	-2.3%
British Pound (in US dollars)	1.24	1.33	-6.5%	1.23	0.5%
Canadian Dollar (in US dollars)	0.74	0.77	-4.3%	0.73	1.5%
Chinese Yuan (per US dollar)	7.06	6.96	1.4%	7.14	-1.0%
Euro (in US dollars)	1.12	1.12	0.2%	1.11	1.2%
Japanese Yen (per US dollar)	107.93	108.61	-0.6%	107.83	0.1%

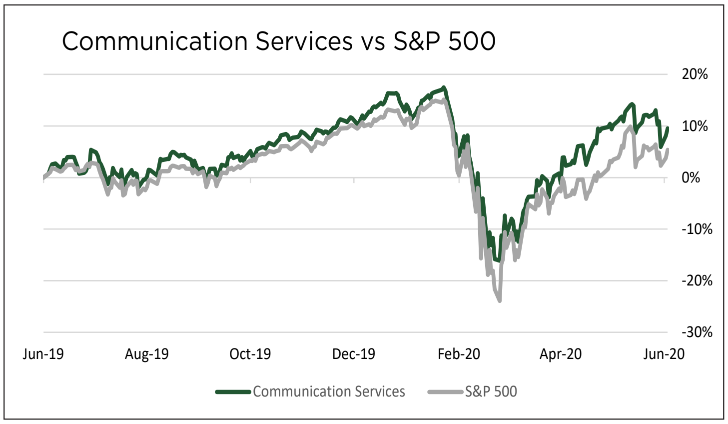
Commodity Prices:	6/30/2020	12/31/2019	% Change YTD	5/29/2020	% Change (Monthly)
CRB (Commodity) Index	360.13	401.58	-10.3%	367.12	-1.9%
Gold (Comex spot per troy oz.)	1780.96	1517.27	17.4%	1730.27	2.9%
Oil (West Texas int. crude)	39.27	61.06	-35.7%	35.49	10.7%
Aluminum (LME spot per metric ton)	1601.75	1781.25	-10.1%	1526.25	4.9%
Natural Gas (Futures 10,000 MMBtu)	1.75	2.19	-20.0%	1.85	-5.3%

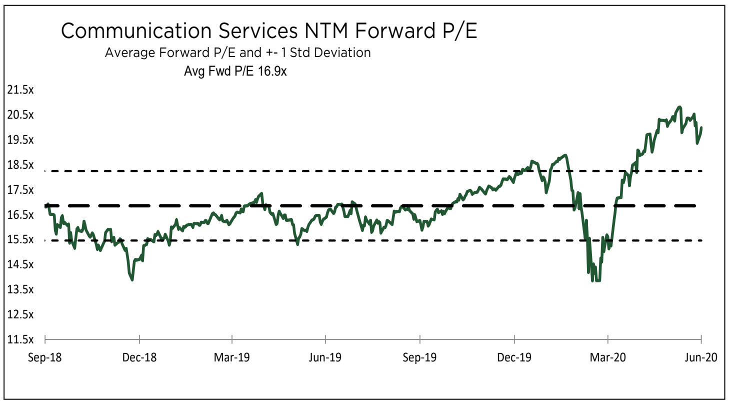
Economic Indicators:	5/31/2020	12/31/2019	% Change YTD	4/30/2020	% Change (Monthly)
Consumer Price Index	255.8	258.4	-1.0%	255.9	-0.1%
Producer Price Index	201.2	207.7	-3.1%	196.6	2.3%
	Q1 2020	**Q4 2019**	**Q3 2019**	**Q2 2019**	**Q1 2019**
GDP Growth Rate (Quarterly)	-5.00%	2.10%	2.10%	2.00%	3.10%
	June	**May**	**April**	**March**	**February**
Unemployment Rate (End of Month)	11.1%	13.3%	14.7%	4.4%	3.5%

*GDP growth rate is calculated as the percent change from the previous period seasonally adjusted at annual rates. **S&P Sectors were re-named at the end of 2001. The sector Industrials is a combination of the former sectors Capital Goods & Transportation.Sources: Wall Street Journal, Bloomberg, The Department of Labor, The Bureau of Labor Statistics, The Bureau of Economic Analysis, US Treasury website.

TABLE OF CONTENTS

COMMUNICATIONS SERVICES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.56%	19.64%	-0.97%	9.53%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	ViacomCBS Inc - B	12.4%
	DISH Network Corp - A	9.0%
	Netflix Inc	8.4%
	Electronic Arts Inc	7.5%
	Activision Blizzard Inc	5.4%
Laggards	Live Nation Ent. Inc	-9.8%
	Fox Corp - A	-8.1%
	Fox Corp - B	-6.7%
	Charter Comms. Inc - A	-6.2%
	Walt Disney Co	-4.9%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$8.20	$8.10	$9.82
21.9x	22.2x	18.3x

Sector Update

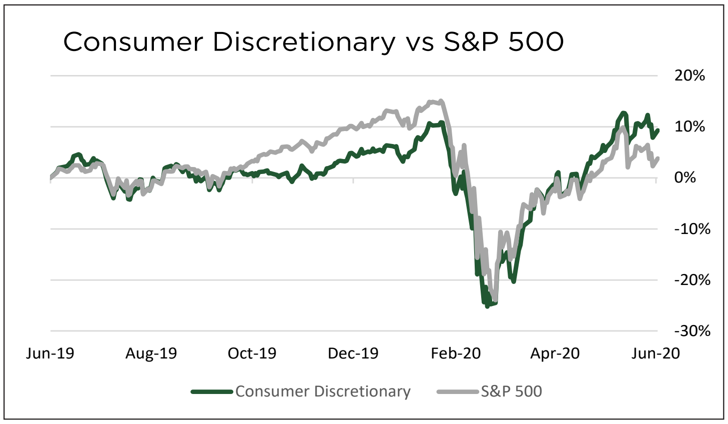
The Communications Services sector declined 0.56% in June and 0.97% year-to-date, compared to the S&P 500 index, which rose 1.84% in June and declined 4.04% year-to-date. Entertainment was the top performing sub-sector in June, rising 2.1%, with 3.2% year-to-date appreciation. Stay at home consumers flocked to online video games from companies such as Activision Blizzard and Electronic Arts, which rose 5.4% and 7.5% in June and 27.7% and 22.8% year-to-date. Interactive Media and Services was the second best performing sub-sector in June (-0.4%) and remained the top performing sector year-to-date (+7.4%) driven by the performance of Alphabet and Facebook.

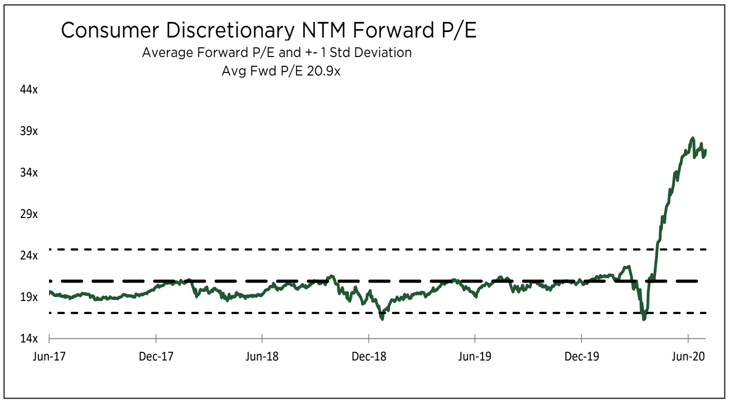
Diversified Telecommunications was the worst performing sub-sector over the past month (-2.9%) and year-to-date (-17%) as the decline in AT&T (-20% YTD) and Verizon (-10% YTD) shares offset the 32.8% rise in T Mobile shares. T Mobile raised its Q-2 20 guidance from 0-150,000 subscriber additions to 800,000 to 900,000 additions due to a faster than expected recovery of retail sales and greater than expected sales to business customers. Both AT&T and Verizon expect lower sales from small business customers, which are more impacted by COVID 19 than larger corporations. AT&T also expects a sharp decline in its Yahoo's advertising business in the second quarter.

The resurgence of COVID 19 cases led investors to become more cautious toward the Media sub-sector (-2.2% in June and -14.1% YTD) and The Walt Disney Company (-4.9% in June and -22.9% YTD). Disney postponed the July re-opening of its Disneyland Theme Park in California due to the surge in COVID 19 cases in California and new state restrictions. While Comcast began reopening its Universal theme parks in Florida on June 5 and Disney is expected to re-open Disney World on July 11, it remains to be seen if the theme parks will continue operating as COVID 19 cases rise sharply in Florida.

The Communications Services sector could underperform the market in the second half of the year if the resurgence of COVID 19 cases contributes to lower than expected advertising revenue and the potential closure of theme parks and telecommunications carriers retail stores. Nonetheless, the Entertainment sub-sector could continue to outperform the market if states reinstate restrictions to curb the rise in COVID 19 infections.

CONSUMER DISCRETIONARY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
4.90%	32.57%	6.60%	11.19%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Gap Inc	41.8%
	Newell Brands Inc	20.8%
	eBay Inc	15.2%
	Leggett & Platt Inc	14.9%
	Hanesbrands Inc	14.5%
Laggards	Ulta Beauty Inc	-16.6%
	H&R Block Inc	-16.0%
	Ross Stores Inc	-12.1%
	Wynn Resorts Ltd	-10.6%
	L Brands Inc	-7.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$29.44	$19.44	$38.62
35.7x	54.1x	27.2x

Sector Update

Consumer Discretionary stocks continued to outperform in June with the sector tracking well ahead of the S&P 500 for the month. Although the macro backdrop has been concerning with increasing numbers of new coronavirus cases particularly in the second half of the month, employment reports and consumer sentiment improvements may be providing broad sector support. The Consumer Discretionary sector has also outperformed the S&P 500 on both a year-to-date basis and trailing twelve-month basis as seen in the accompanying table.

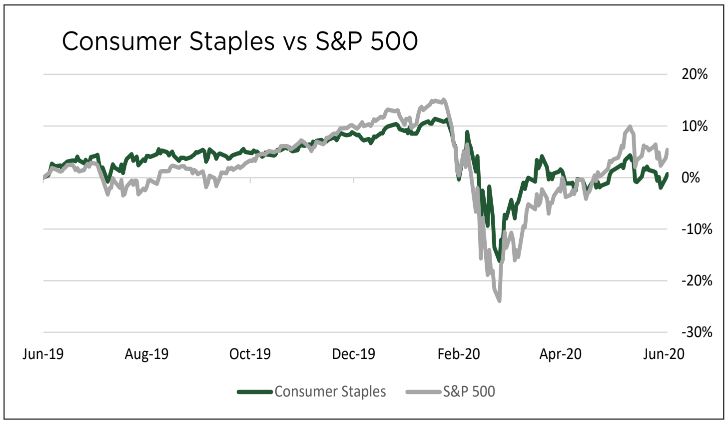
Consumer sentiment data reported by the University of Michigan for June improved from May to 78.1 from 72.3. The data show a regional divergence between the Northeast and the South which appears to reflect differing rate of spread of the pandemic. In the Northeast, where new case growth has been dropping, consumer sentiment appears to be improving while in the South, where case growth has been accelerating, sentiment growth has been softer. The geographic spread of consumer sentiment growth highlights the sensitivity of the consumer towards the virus and the challenges facing the recovery if the virus continues to spread across the country.

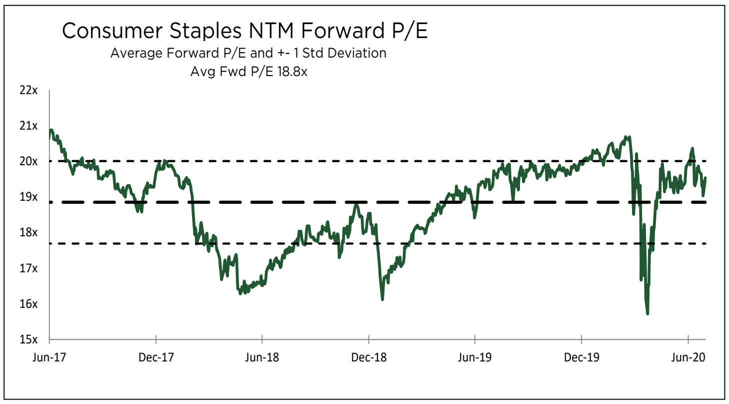
New home sales for May advanced 13% year-over-year representing the strongest May growth since 2007. However, the supply of new homes has been constrained impacted by relatively soft new home starts. This capacity imbalance has shifted the components of new home sales towards homes that are not yet under construction which advanced 20% year-over-year. Land, materials and labor supply pressures appear to be impacting the overall pace of housing starts which dropped 18% year-over-year. It appears that homebuilders are out of synch with the pace and magnitude of the recovery in new home demand which has created the supply/demand imbalance that the housing market is traversing.

The Bureau of Labor Statistics reported in late June that weekly initial jobless claims had dropped to 1.43 million individuals. This represented continued improvement from the highs near 7 million which occurred at the end of March. Over the past three months, more than 48 million Americans have filed for unemployment benefits which underscores the magnitude of the pandemic influenced economic crisis. Although people are returning to work, continuing claims remain elevated with 19.3 million American filing for continuing claims reported on a one-week lag with the overall unemployment rate at 11.1%.

With the ending of lockdowns during May and into June, consumers responded by increasing spending as measured by the Commerce Department's monthly retail sales report in June. Retail sales jumped 17.7% in May from depressed April levels which was well ahead of consensus forecasts for 8% growth according to Dow Jones. Headline growth was seen in the sporting goods, hobby, musical instruments and book stores components which posted a sharp 88.2% jump in monthly sales – although lockdowns are ending it appears consumers were still eager to buy "stay-at-home" entertainment items. Big gains were also seen in automobiles and auto parts which jumped 44.1% while food services and drinking places were up 29.1%.

CONSUMER STAPLES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.73%	7.32%	-7.05%	0.67%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Coty Inc - A	23.1%
	Lamb Weston Hold. Inc	6.4%
	Clorox Co	6.4%
	Kraft Heinz Co	4.7%
	Kroger Co	3.8%
Laggards	Molson Coors Bev. Co - B	-9.5%
	J M Smucker Co	-7.1%
	Philip Morris Int'l. Inc	-4.5%
	Hershey Co	-4.5%
	Estee Lauder Cos Inc - A	-4.5%

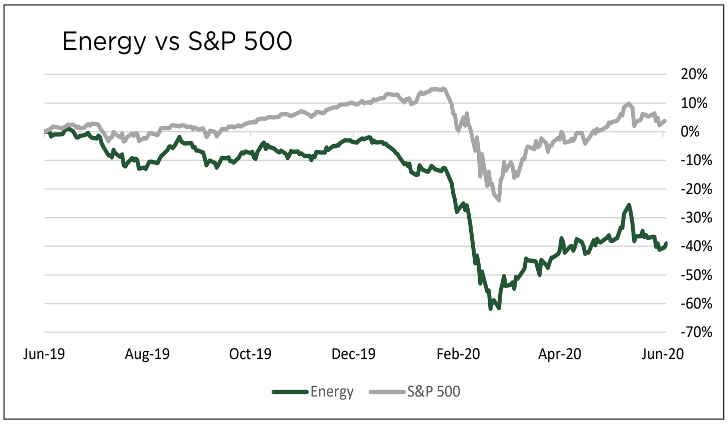
Consensus FY EPS / P/E

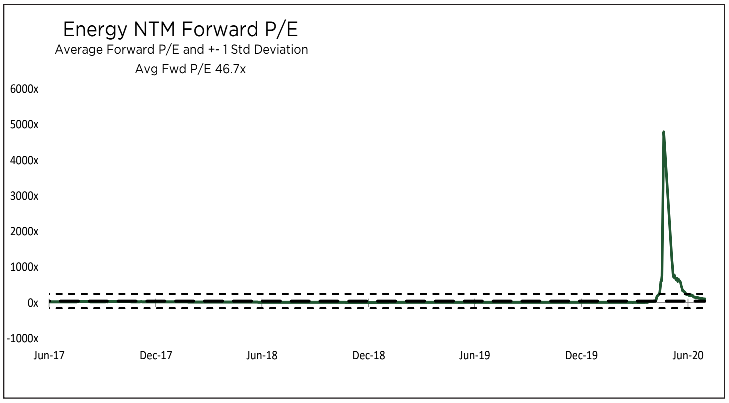
Last Year	Current Year	Next Year
$30.44	$29.40	$31.75
19.8x	20.5x	18.9x

Sector Update

The Consumer Staples sector reported a decrease of 0.73% on average in June which lagged the S&P 500 Index that increased about 1.84%. All segments declined for the month with the exception of Household Products. That segment continues to benefit from strong purchases by consumers for such items as toilet paper, soap and cleaners. The Consumer Staples sector currently trades with a forward P/E on next year's earnings of about 18.9x which remains towards the upper end of its historic trading range. We remain favorable towards owning stocks with well-positioned product portfolios in leading categories, offering strong balance sheets and cash flow generation, and operating with experienced management. In an ongoing lower rate environment, an investment in many of the Consumer Staples companies continues to offer an attractive dividend yield. Any shift in sentiment could result in a rotation out of the more defensive segments.

Recent reports from several key consumer companies indicated that while the pace of sales growth has moderated sequentially, the level remains elevated vs historical rates. While restaurants and on-premise establishments are beginning to re-open in the US, foodservice sales are expected to remain weak in Q2 and the debate of food-at-home vs out-of home remains a key conversation. The pace of re-openings also remains a question given recently enhanced restrictions enacted by several states. As earnings season approaches, the key question centers on whether consumer behavior patterns have shifted and whether consumers will continue to navigate to purchase brands at an increasing pace for in-home consumption. In addition, well known and larger scale brands continue to benefit from greater presence at retail and strong consumer purchases. Those companies that have invested in their infrastructure, supply chain, and brands should emerge well-positioned with likely market share gains. Additional focus remains on the growing use of e-commerce, inventory levels, product placement on retail shelves and resets, and expectations. At present, demand for select US packaged goods and beverages still continues to outpace current inventory levels. Management remains a key factor to support successful execution in the current environment along with the strength of the balance sheet and cash flow generation.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.42%	28.68%	-37.02%	-39.00%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Occidental Petrol. Corp	41.3%
	Marathon Oil Corp	14.6%
	Halliburton Co	10.5%
	Hess Corp	9.1%
	Pioneer Natural Res. Co	6.7%
Laggards	Apache Corp	-18.3%
	Cabot Oil & Gas Corp	-13.4%
	Valero Energy Corp	-11.7%
	ONEOK Inc	-9.5%
	Phillips 66	-8.1%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$12.99	-$1.86	$7.32
22.1x	-154.7x	39.3x

Sector Update

Actions by OPEC+ in early June helped sustain the recent rally in oil prices as the group elected to extend production cuts. The oil cartel agreed to extend the existing 9.7 million barrels per day of cuts through the end of July rather than allowing the cuts to drop to 7.7 million barrels per day per the group's original agreement. Another development that emerged from the meeting was that some nations that had not met production cut goals agreed to incremental cuts through September in order provide adjustments for previous over production. Oil prices have more than doubled off the April lows and the unified production measures established by OPEC+ have proved supportive to prices following the sharp market dislocation linked to the COVID-19 pandemic.

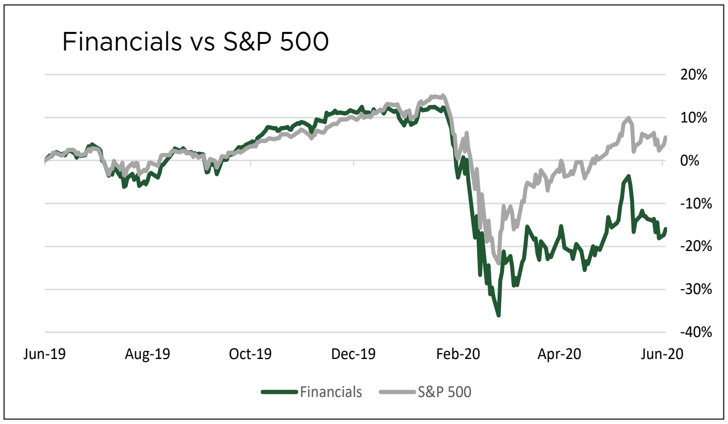
It appears that OPEC+ has shifted strategies to address the oil market imbalances in an effort to reduce growing stockpiles. The strategy is geared towards creating an oil market in backwardation with higher spot prices versus futures prices that is intended to result in stockpile reductions. This approach hinges on short-term production cuts and the compliance of member states with skeptics noting that OPEC+ lacks meaningful enforcement measures to deal with over production.

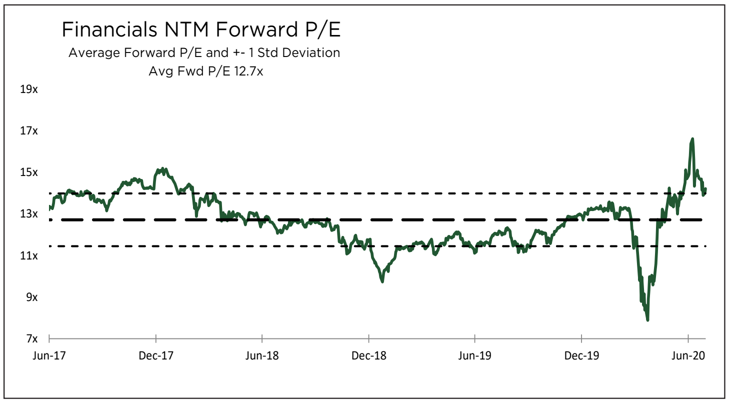
In mid-June the International Energy Agency or IEA provided an updated outlook for oil this year indicating that 2020 demand is expected to drop by 8.1 million barrels per day before rebounding by 5.7 million barrels per day in 2021. The IEA reported that second quarter oil demand dropped by 17.8 million barrels per day versus last year which reflected the impact from coronavirus lockdowns. While emphasizing the uncertainties in the outlook, the agency went on to say "So far, initiatives in the form of the OPEC+ agreement and the meeting of G20 energy ministers have made a major contribution to restoring stability to the market."

Oil prices during June continued to climb with WTI advancing from about $35 per barrel at the start of the month to finish at just over $39 per barrel at month-end. The ongoing impact from the combination of widespread production cuts and resumption of driving appear to be supportive of oil prices. Retail gasoline prices continued to move higher during June running at about $2.26 per gallon at month-end which is above May levels at $2.05. We note that gasoline prices are still well below the prior year level of $2.74 per gallon. The Baker Hughes oil rig count continued to decline in the month coming in at 188 rigs on June 26 versus 222 rigs on May 29. Oil rig count was far below the prior year level of 793 rigs reflecting the rapid drop in rigs in operation due to the pandemic induced cutbacks. U.S. crude oil storage at 534 million barrels was flat from last month's level of 534 million barrels reflecting the impact of lower production helping to moderate inventory growth against the demand drop during the pandemic lockdowns. We note that storage levels have been rebounding off the 2018 lows and are approaching highs seen in 2017.

Following the downturn seen in mid-2015 to the fall of 2016, U.S. crude oil production has been in a secular uptrend which continued through 2019 and into 2020 before reversing during the COVID-19 pandemic. The trough daily production seen in 2015 was in the 8.5 million barrels per day range and peaked earlier this year at about 13.1 million barrels per day before slipping to 11.0 million barrels per day in June.

FINANCIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.52%	11.41%	-24.62%	-16.00%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Invesco Ltd	35.0%
	Franklin Resources Inc	11.1%
	Unum Group	9.5%
	Morgan Stanley	9.3%
	E*TRADE Financial Corp	9.2%
Laggards	Cboe Global Markets Inc	-12.4%
	CME Group Inc	-11.0%
	Capital One Fin. Corp	-8.0%
	PNC Fin. Services Inc	-7.7%
	Charles Schwab Corp	-6.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$31.74	$22.71	$31.57
12.1x	17.0x	12.2x

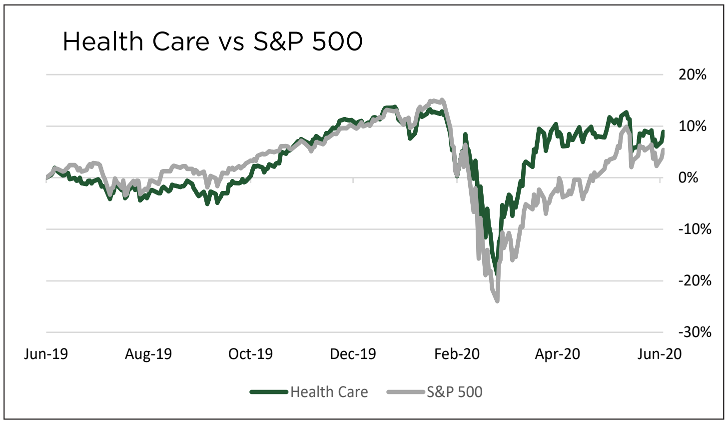
Sector Update

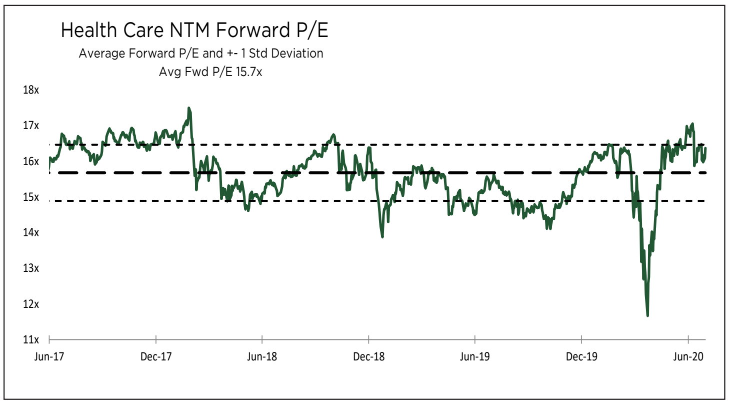
Financials finished June only modestly lower than the prior month, down 0.52%. The S&P 500® index outperformed the sector on a 1.84% improvement in the month. Trailing twelve-month returns continue to favor the broader market index, up 5.39% compared to a 16% decline in the Financials sector. Financials sector exposure to global macroeconomic shocks related to Coronavirus and pressure on interest sensitive revenue streams may continue to drive performance that lags the broader market despite recent optimism associated with re-opening the domestic economy.

The Insurance and Capital Markets sub-sectors gained 1.6% and 0.3%, respectively, in the final month of Q2. Banks, Consumer Finance, and Diversified Financial services sub-sectors posted declines for the month with Diversified Financial Services down 3.8% in June. Fund provider Invesco (IVZ) was the leader for the month as the company surged in early June on a broader market bounce. Capital markets firms CBOE and CME were laggards in June on lower volatility.

We remain cautious in the sector due to looming uncertainties and the expiration of account forbearance and government stimulus, along with Q2 earnings and guidance likely to reflect a more fulsome impact of the COVID pandemic. Major banks will kick off the second quarter earnings season in the second full week of July. We expect commentary will center on capital levels, credit loss expectations, and strategies to mitigate current interest rate pressures.

Following reductions in current year earnings estimates, the Financials sector trades well above its average P/E. Utilizing 2021 estimates, the sector appears fairly valued compared to its average, particularly given macroeconomic and geopolitical uncertainty that could reverse sentiment toward the group in the back-half of 2020.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-2.53%	13.06%	-1.72%	8.89%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	ResMed Inc	19.4%
	Align Technology Inc	11.7%
	ABIOMED Inc	7.9%
	Hologic Inc	7.5%
	Eli Lilly and Co	7.3%
Laggards	Pfizer Inc	-14.4%
	Biogen Inc	-12.9%
	Universal Health Serv. Inc	-11.9%
	Anthem Inc	-10.6%
	Cooper Cos Inc	-10.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$56.23	$66.16	$77.05
20.8x	17.7x	15.2x

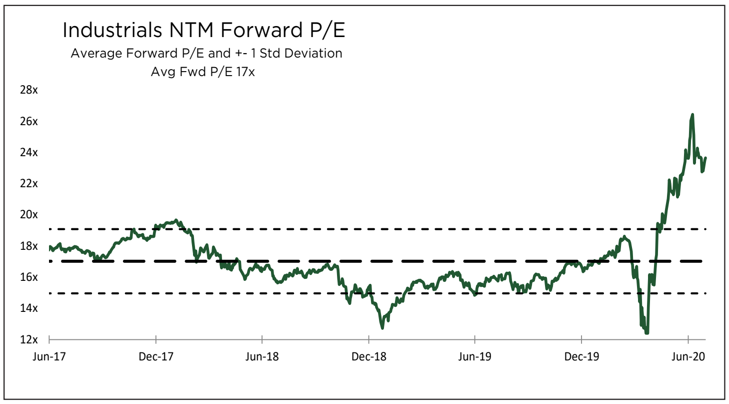
Sector Update

With states reopening for business in June, markets closed the 2Q20 having recaptured essentially all of the 1Q20 market sell off. As is depicted in the adjacent graphic, the Health Care sector lagged the broad market averages in June – posting a decline of 2.5% that contrasts with the S&P 500's advance of 1.8% as investors rotated into cyclicals and stronger growth oriented investments in anticipation of a fast paced 'V' shaped economic recovery. Still, health care stocks continue to perform reasonably well having outpaced the broad market averages on a 2020 year to date and trailing 12-month basis. The COVID-19 virus and its economic influence drove individual health issues to both outperform and lag the broad market in June – a trend likely to persist given a recent resurgence across many regions of the U.S. that arose at June month end.

Among issues delivering stronger appreciation in June were Resmed, Align Technology, Abiomed, and Eli Lilly – all influenced by COVID trends. Resmed continues to experience strong demand from its product portfolio focused on pulmonary disease and respiratory conditions that include ventilators and masks being used to treat severely ill COVID patients. Align is experiencing a solid rebound in demand as dental practices reopen and the seasonally stronger summer demand arrives from teens seeking orthodontic (teeth straightening) therapeutics. Abiomed' s impella cardiac assist (LVAD) pumps gained FDA approval last month for use in supporting severely ill COVID patients, while the FDA also approved launch of clinical trials on a next generation heart pump (smallest ever inserted right within the heart). In addition, Eli Lilly commenced clinical trials on two COVID antibody therapeutics targeting data availability by September that could results in fast-paced approvals of antivirals to combat the virus this fall.

Others in the health care sector backed off last month including Pfizer, Biogen, Universal Health Services and Anthem. Pfizer's Ibrance failed to delivery in late stage phase 3 studies for use in early stage breast cancer that reduced the intermediate term earnings outlook, pressuring the shares. Biogen lost a patent infringement lawsuit against Mylan with courts ruling leading multiple sclerosis therapeutic Tecfidera's patent was not infringed. And, the spread and rise of COVID threatened hospital operators – forced to cancel highly profitable elective surgeries – while health insurers faced uncertainty over health care cost to care for critically ill COVID patients that pressured shares of both Universal Health and Anthem.

We anticipate that COVID developments will continue to influence the broad markets and notably health care in 2H20, while election year politics also drive to the forefront that could raise uncertainty for the Health Care sector as well. Therefore, investor selectivity remains paramount at this juncture.



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.90%	16.40%	-15.50%	-10.85%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Boeing	25.7%
	American Airlines Group	24.5%
	United Airlines Hold. Inc	23.4%
	Howmet Aerospace Inc	21.2%
	Equifax Inc	11.9%
Laggards	Teledyne Tech. Inc	-16.9%
	L3Harris Technologies Inc	-14.9%
	Huntington Ingalls Indust.	-12.7%
	Northrop Grumman Corp	-8.3%
	Copart Inc	-6.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$32.90	$17.84	$31.44
17.7x	32.6x	18.5x

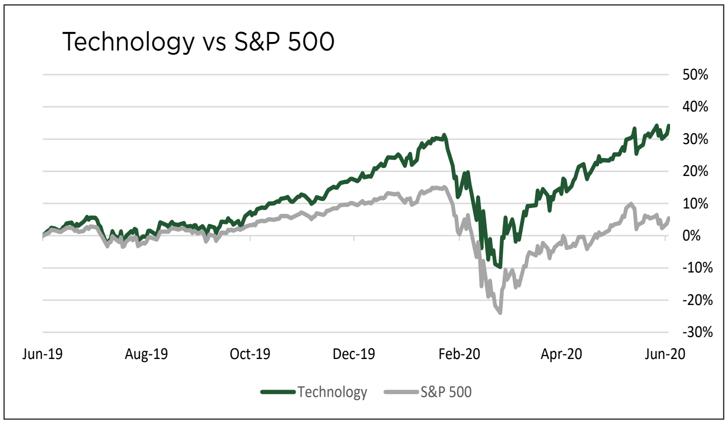
Sector Update

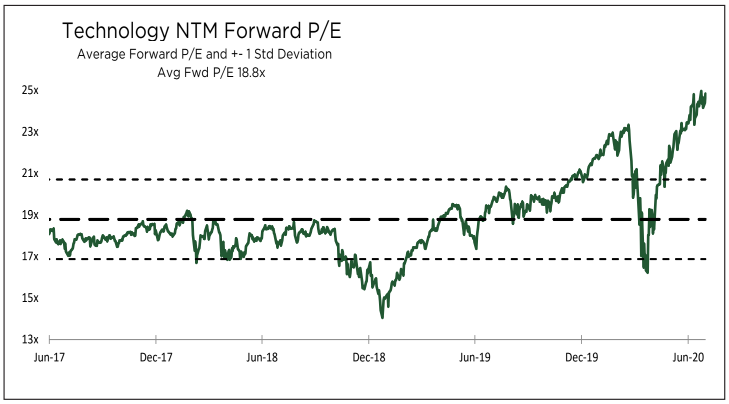
Industrial issues advanced by 1.90% in June, slightly above the S&P 500 index that was up by 1.84%. The airline stocks led the industrials sector with a category-best +12% monthly appreciation, reversing a string of worst performing months for the group. Boeing, American Airlines Group and United Airlines Holdings each posted gains in the mid-twenty percent range. The air freight and logistics group was also strong, up +8% on the month. The worst performing categories were road & rail and commercial services & supplies.

Domestic manufacturing activity surged in June according to the U.S. ISM Manufacturing PMI that registered 52.6%, up nearly ten-points sequentially. Positive demand was underscored by growth in new orders and customer inventories returning to levels the survey considers positive for future production. Survey respondent commentary was trending positive with most highlighting stable to recovering demand and industry trends. Other parts of the world are also seeing V-shaped like recovery in manufacturing activity, including the Eurozone and China. The IHS Markit Eurozone Manufacturing PMI rebounded sharply in June, an encouraging sign that the initial recovery is well underway. However, the index score remained below the 50-index threshold for the seventeenth consecutive month. While overall sentiment about future production returned to positive territory, performance by country varies and only time will tell if the region can build on recent momentum and contribute to a sustained global economic recovery. China manufacturing activity improved in June as business restrictions continue to ease and operating conditions return to more normalized levels. Overall sentiment remains positive supported by favorable domestic demand indicators, while export activity still faces some headwinds. As the first country affected by the spread of coronavirus, investors will continue to monitor China's path to economic recovery for possible parallels to other geographic regions.

As US consumer confidence levels rebound, so too do expectations for a domestic housing recovery. Pent up demand for home ownership is beginning to show up in the data as the domestic economy reopens for business. Census Bureau data indicate existing home sales are still down both sequentially and compared to the prior year, but pending home sales for May surged ~44% from the April lows according to the National Association of Realtors, suggesting increased contract closings could be on the near horizon. In addition, new home sales rose at a double-digit pace in May. Permit activity appeared to gain momentum sequentially and likely signals increased single-family construction ahead in the coming months. Direct residential investment only accounts for a 3%-5% of US GDP (NAHB), but can be a strong indicator as to the health of the consumer and tends to a have larger ancillary impact on economic activity. Potential industrial beneficiaries include building products, industrial conglomerates, air freight & logistics, distributors, road & rail and construction.

INFORMATION TECHNOLOGY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
7.08%	30.10%	14.21%	34.06%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Lam Research Corp	18.2%
	DXC Technology Co	16.1%
	HP Inc	15.1%
	Apple Inc	14.7%
	Autodesk Inc	13.7%
Laggards	NortonLifeLock Inc	-12.9%
	FLIR Systems Inc	-12.2%
	Leidos Holdings Inc	-11.0%
	Arista Networks Inc	-10.0%
	Seagate Technology PLC	-8.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$62.93	$67.18	$77.61
29.2x	27.4x	23.7x

Sector Update

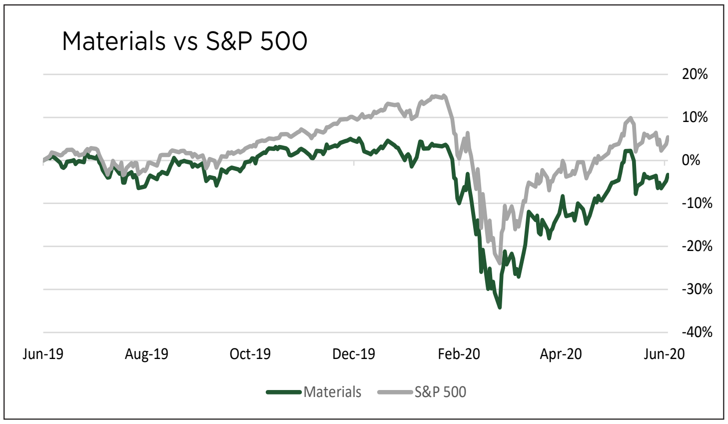
The Technology sector appreciated 7.08% in June and 14.21% year-to-date, compared to the S&P 500 index, which rose 1.84% in June and declined 4.04% year-to-date. Technology, Hardware, and Storage was the top performing sub-sector in June (+14.1%) and the second best sector year-to-date (+20.1%) driven by the 14.7% rise in Apple shares in June and 24% year-to-date appreciation. Investors continue to focus on the potential introduction of Apple's new 5G enabled iPhones this fall.

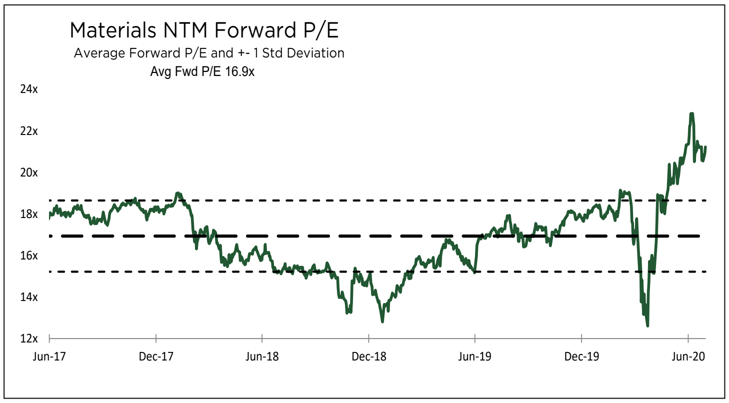
Software was the second best sub-sector in June (+9.4%) and remained the best sector year-to-date (+26.5%). Leading software companies are sustaining double-digit growth as their cloud based software enables companies to operate their businesses more efficiently whether employees are on premise or working from home. Autodesk shares rose +13.7% in June and +30% year-to-date as investors were enthused that it expects 12-15% revenue growth in FY21. COVID 19 inspired stay at home orders drove higher demand for Autodesk's commercial cloud products (7.5% of firm revenue), with some of Autodesk's largest customers quickly expanding their use of Autodesk's cloud products. Since early March, the company reported a 200% increase in usage for its BIM 360 design product, a cloud collaboration tool that allows customers to use its design product from any place with data stored in the cloud.

Semiconductor and Semiconductor Capital Equipment, was the third best performing sub-sector in June (+4.9%) and year-to-date (+9.2%). A number of semiconductor companies recently raised their second quarter guidance due to strong demand from cloud and data center customers. LAM Research, a semiconductor capital equipment company, delivered the best stock performance in the Technology sector in June (+18.2%). LAM Research is expected to increase its revenue at a low double-digit pace in FY21 driven by higher demand from cloud/data center and enterprise end markets and a potential recovery in demand in the wireless market.

The rapid increase in COVID 19 infections in states such as Arizona, California, North and South Carolina and Texas could slow the potential recovery of the U.S. economy. If investors become more skeptical of the U.S. economic rebound, they may prefer Technology companies that can sustain growth instead of more cyclical industries. In the event the U.S. economy continues to improve and states bring COVID 19 infections under control with new restrictions, it is possible that investors may rotate from the Technology sector to more cyclical industries.

MATERIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.85%	25.28%	-8.04%	-3.35%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Freeport-McMoRan Inc	27.6%
	Martin Marietta Mat. Inc	7.5%
	Vulcan Materials Co	7.0%
	Dow Inc	5.6%
	Newmont Corp	5.6%
Laggards	International F. & F. Inc	-8.1%
	Ecolab Inc	-6.4%
	CF Industries Hold. Inc	-4.2%
	Celanese Corp	-4.0%
	Sherwin-Williams Co	-2.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$16.82	$14.53	$18.82
21.1x	24.4x	18.9x

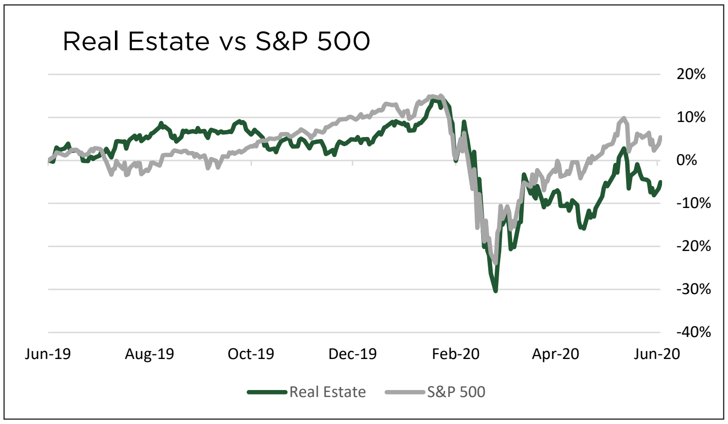
Sector Update

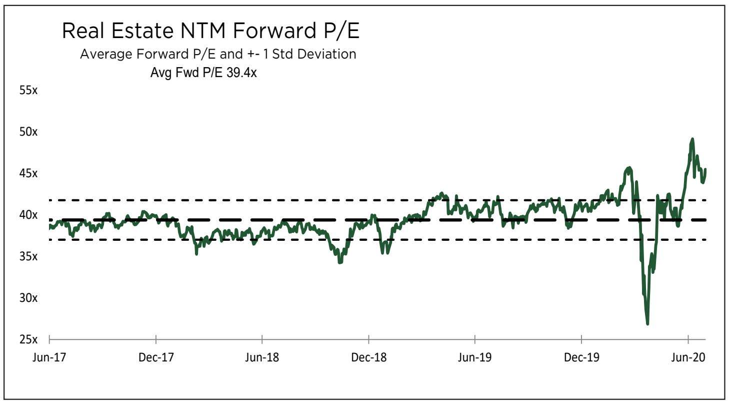
The Materials segment reported an increase of 1.85% in June which was relatively in line with the S&P 500 Index that increased 1.84%. The Materials segment was a strong performer in June with contribution across segments. The outperformance was supported by the strongest gains for the Metals and Mining and Construction Materials segments The Materials sector currently trades with a forward P/E of about 18.9x which is ahead of its forward average P/E of 16.9x as measured by Bloomberg.

New home sales for May increased 16.6% as reported by the government vs last month to a seasonally adjusted annual rate of 676,000 which exceeded the consensus outlook. Compared with the previous year, new home sales were up 12.7% in May. Sales for April were revised lower to 580,000 from 623,000. The impressive sequential pick up in now home sales for May reflected a strong rebound despite the continued overhang from COVID-19. Existing home sales declined 9.7% vs April in part due to restrictions related to COVID-19. The tight supply of existing homes, continued low mortgage rates in the US and ongoing consumer demand remain key positive drivers. However, the median price of an existing home rose 2.3% in May vs last year given the mix of sales and tight inventory. The strong demand for housing supports a more confident consumer outlook and stronger economic indicator. With the stay-at-home trends, there could be enhanced consumer demand for repair and remodel activity once the environment improves. It is important to note that the homebuilding group faces tough comps in 2H20.

According to the latest USDA's WASDE report, the U.S. feed-grain outlook for 2020/21 is for record high corn production and higher soybean production. The outlook is favorable for feed costs for domestic protein growers. The corn crop is projected at a record 15.99 billion bushels on increased planted area and yield. Ending stock for corn are forecast up 58% to a record 3.3 billion bushels resulting in lower prices. The 2020/21 outlook for U.S. soybeans is for higher production, supplies, exports, and lower ending stocks compared to 2019/20. The outlook for worldwide agriculture remains subject to uncertain trade especially with China, currency movement, demand vs supply, COVID-19 and the weather.

REAL ESTATE





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
0.99%	12.33%	-9.96%	-5.05%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	Simon Property Group Inc	18.5%
	SL Green Realty Corp	17.0%
	Kimco Realty Corp	15.6%
	Healthpeak Properties Inc	11.9%
	Weyerhaeuser Co	11.2%
Laggards	Host Hotels & Resorts Inc	-9.6%
	Essex Property Trust Inc	-5.6%
	Public Storage	-5.4%
	SBA Comms. Corp	-5.2%
	Extra Space Storage Inc	-4.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$4.84	$4.63	$4.89
44.7x	46.7x	44.3x

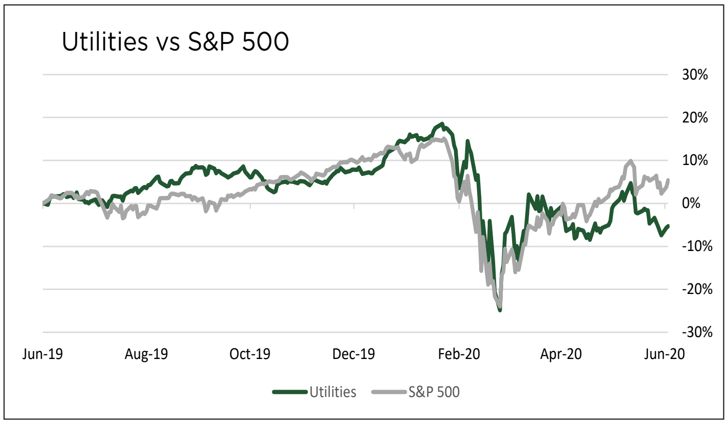
Sector Update

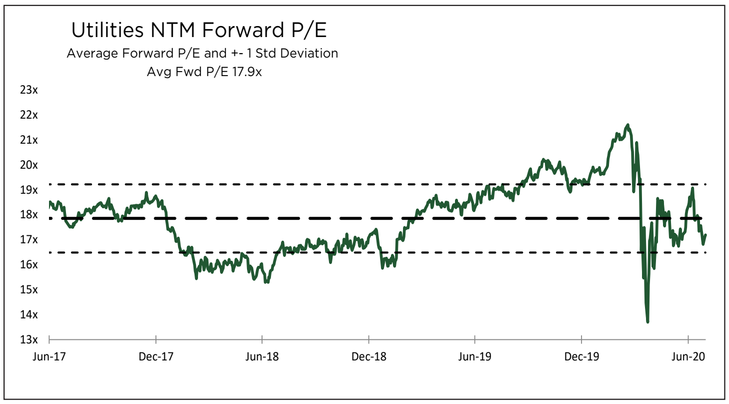
With states reopening for business in June, markets closed the 2Q20 having recaptured essentially all of the 1Q20 market sell off. As is depicted in the adjacent graphic, the Real Estate sector lagged the broad market averages once again in June continuing a period of underperformance that has existed for the past year. For the month of June, the Real Estate sector did show modest appreciation, rising by just under 1.0% that still lagged the S&P 500 that advanced by 1.8% as investors rotated into cyclicals and stronger growth oriented investments in anticipation of a fast paced 'V' shaped economic recovery.

Numerous uncertainties remain including questions such as: How high will rent delinquencies go and what does this mean for dividend distributions? How long will economic activity be impacted? And, what is the outlook when we finally exit the pandemic? The COVID-19 virus will continue to drive measurable economic impact to individual and businesses alike over the intermediate term – likely to sustain uncertainty - driving volatility for the Real Estate group. As such, investors must be highly selective in identifying investments in the sector that is poised for a choppy, uneven, gradual recovery. Still, as we note below, some subsectors of the Real Estate group did experience solid rebounds off multi-year lows experienced in 1Q20 as the COVID-19 pandemic spread.

Strong double-digit share appreciation was recorded last month by Simon Properties, SL Green and Kimco. Simon, a leading operator of malls, has reopened 199 of its 204 properties for business that drove a not surprising 18.5% move in the share valuation. SL Green, a leader in the New York City commercial segment, announced the sale of its property at 400 East 58th St for $62 million, while firm also paid its regular quarterly dividend – with the shares responding positively to these developments. In addition, Kimco was able partially monetize its investment in Albertson's (ACI) that completed its IPO – maintaining a substantial position, while using proceeds of $71 million to reduce debt.

On the other side, hardest hit REIT issues were those having greater negative exposure to stay at home efforts associated with the COVID pandemic. Lodging sector leader, Host Hotels & Resorts continues to experience very soft operating trends – likely to persist for some time until highly effective COVID therapeutics become generally available – with the firm suspending its dividend and amending its credit agreements to enhance liquidity. Others within the Real Estate sector continue to experience variable conditions and uncertainties resulting in volatility such as Essex Properties – a leading West Coast multi-family REIT – that did see some modest improvement in operations in May but still experienced ~28% of units as either not paying rent (firm provided relief) and or being delinquent.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.00%	1.84%	-12.61%	-5.31%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
1.84%	19.95%	-4.04%	5.39%

	Company Performance	1 Month
Leaders	AES Corp	16.0%
	CenterPoint Energy Inc	5.0%
	American Water W. Co Inc	1.3%
	DTE Energy Co	-0.1%
	CMS Energy Corp	-0.3%
Laggards	NRG Energy Inc	-9.7%
	Southern Co/The	-9.1%
	FirstEnergy Corp	-8.2%
	Entergy Corp	-7.9%
	PPL Corp	-7.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$18.87	$16.22	$17.17
15.2x	17.7x	16.7x

Sector Update

The Utilities sector declined 5.0% in June compared to a 1.84% improvement for the S&P 500®. Over the past twelve months, the sector lags the broader market with a 5.31% decrease compared to a 5.39% gain in the S&P. Economic stimulus and continued optimism on re-opening U.S. businesses drove a risk-on rebound in recent weeks, driving focus and sentiment away from the typically defensive Utilities group.

The Independent Power and Renewable sub-sector improved 16.0% in June; however, this has only one component, AES Corp (AES) that was also the leader of the sector in the month. AES saw strong performance after announcing stronger than expected cash flow guidance at a conference presentation. Princeton, NJ based NRG Energy (NRG) was the laggard for the month on a 9.7% decline in June.

Local utility giants Dominion and Duke Energy made headlines subsequent to month-end as they cancelled the multi-billion dollar Atlantic Coast Pipeline Project. Despite a 7-2 favorable Supreme Court ruling in June regarding a trail crossing, the companies continued to face legal challenges from District court rulings that overturned a federal waterway and wetlands crossing permit known as Nationwide 12. They commented that new litigation risk, among other continued execution risks, made the project outcome too uncertain to justify further investment of shareholder capital. In its last public guidance, the $8B project cost and early 2022 in-service date stood $3B higher and three-and-a-half years longer than initial estimates.

At 17.7x current year earnings forecasts, the Utilities group appears reasonably valued compared to its average multiple. The attractive yields and historically defensive characteristics of the sector could substantiate premium valuations relative to the market in periods of elevated volatility and low interest rates. We continue to focus on companies with well-covered dividends, quality electric and renewable assets, and attractive service territories relative to national averages within the sector.

ECONOMIC CALENDAR

Date	Release	For	Prior
1-Jul	Auto Sales	Jun	1.92M
1-Jul	Truck Sales	Jun	7.18M
1-Jul	MBA Mortgage Applications Index	06/27	-8.70%
1-Jul	ADP Employment Change	Jun	3.065M
1-Jul	ISM Manufacturing Index	Jun	43.1
1-Jul	Construction Spending	May	-3.50%
1-Jul	EIA Crude Oil Inventories	06/27	+1.44M
1-Jul	FOMC Minutes	June 9-10	--
2-Jul	Nonfarm Payrolls	Jun	2.509M
2-Jul	Nonfarm Private Payrolls	Jun	3.904M
2-Jul	Unemployment Rate	Jun	13.30%
2-Jul	Avg. Hourly Earnings	Jun	-1.00%
2-Jul	Average Workweek	Jun	34.7
2-Jul	Trade Balance	May	-$49.4B
2-Jul	Initial Claims	06/27	1.480M
2-Jul	Continuing Claims	06/20	19.522M
2-Jul	Factory Orders	May	-13.00%
2-Jul	EIA Natural Gas Inventories	06/27	+120 bcf
3-Jul	ISM Non-Manufacturing Index	Jun	NA
8-Jul	Consumer Credit	May	-$68.7B
8-Jul	MBA Mortgage Applications Index	07/04	-1.80%
8-Jul	EIA Crude Oil Inventories	07/04	-7.2M
9-Jul	Initial Claims	07/04	1.350M
9-Jul	Continuing Claims	06/27	19.290M
9-Jul	Wholesale Inventories	May	0.30%
9-Jul	EIA Natural Gas Inventories	07/04	+65 bcf
10-Jul	PPI	Jun	0.40%
10-Jul	Core PPI	Jun	-0.10%
14-Jul	CPI	Jun	-0.10%
14-Jul	Core CPI	Jun	-0.10%
15-Jul	MBA Mortgage Applications Index	07/11	NA
15-Jul	Empire State Manufacturing	Jul	-0.2
15-Jul	Export Prices ex-ag.	Jun	0.60%
15-Jul	Import Prices ex-oil	Jun	0.10%
15-Jul	Industrial Production	Jun	1.40%
15-Jul	Capacity Utilization	Jun	64.80%
15-Jul	EIA Crude Oil Inventories	07/11	NA
16-Jul	Initial Claims	07/11	NA
16-Jul	Continuing Claims	07/04	NA
16-Jul	Retail Sales	Jun	17.70%
16-Jul	Retail Sales ex-auto	Jun	12.40%
16-Jul	Philadelphia Fed Index	Jul	NA
16-Jul	NAHB Housing Market Index	Jul	58
16-Jul	Business Inventories	May	NA
16-Jul	EIA Natural Gas Inventories	07/11	NA

ECONOMIC CALENDAR

Date	Release	For	Prior
16-Jul	Net Long-Term TIC Flows	May	-$128.4B
17-Jul	Housing Starts	Jun	974K
17-Jul	Building Permits	Jun	1220K
17-Jul	Univ. of Michigan Consumer Sentiment - Prelim	Jul	78.1
22-Jul	MBA Mortgage Applications Index	07/18	NA
22-Jul	FHFA Housing Price Index	Jul	NA
22-Jul	Existing Home Sales	Jun	3.91M
22-Jul	EIA Crude Oil Inventories	07/18	NA
23-Jul	Continuing Claims	07/11	NA
23-Jul	Initial Claims	07/18	NA
23-Jul	EIA Natural Gas Inventories	07/18	NA
24-Jul	New Home Sales	Jun	676K
27-Jul	Durable Goods –ex transportation	Jun	4.0%
27-Jul	Durable Orders	Jun	15.8%
28-Jul	S&P Case-Shiller Home Price Index	May	4.0%
28-Jul	Consumer Confidence	Jul	98.1
29-Jul	MBA Mortgage Applications Index	07/25	NA
29-Jul	Pending Home Sales	Jun	44.3%
29-Jul	EIA Crude Oil Inventories	07/25	NA
29-Jul	FOMC Rate Decision	Jul	0.125%
30-Jul	Chain Deflator-Adv.	Q2	1.4%
30-Jul	Continuing Claims	07/18	NA
30-Jul	GDP-Adv.	Q2	-5.0
30-Jul	GDP Deflator	Q2	NA
30-Jul	Initial Claims	07/25	NA
30-Jul	EIA Natural Gas Inventories	07/25	NA
31-Jul	Employment Cost Index	Q2	0.8%
31-Jul	PCE Prices	Jun	0.1%
31-Jul	PCE Prices - Core	Jun	0.1%
31-Jul	Personal Income	Jun	-4.2%
31-Jul	Personal Spending	Jun	8.2%
31-Jul	Chicago PMI	Jul	36.6
31-Jul	Univ. of Michigan Consumer Sentiment - Final	Jul	NA

DISCLOSURES

This information has been compiled from various sources we believe to be reliable, however, there is no guarantee of its accuracy or completeness. Any opinion expressed herein is based upon our interpretation of the information from such source. This information is not furnished in connection with a sale or offer to sell securities or in connection with the solicitation of an offer to buy securities. Our firm, or its offices or members of their families, may at times, have a long or short position in the securities mentioned herein and may make purchases or sales of these securities while this memorandum is in circulation.

Past performance is not indicative of future results.

An index is not available for direct investment; therefore, its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio.

Sectors and sector components defined by Standard & Poor's GICS Level 1 index. For the list of all holdings in GICS Level 1 index sectors, contact your Davenport Financial Advisor.

Leaders: Represent top five best stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Laggards: Represent top five worst stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Members: The GICS Level 1 Telecommunication Services sector has only three component companies. This sector will not include "Leaders and Laggards", but will show all three members and their price performance over the previous calendar month.

S&P 500®: 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.

Dow Jones Industrials: The Dow Jones Industrial Average is an index of 30 "blue chip" stocks of U.S. "industrial" companies.

NASDAQ Composite: The Nasdaq-100 Index is a "modified capitalization-weighted" index designed to track the performance of a market consisting of the 100 largest and most actively traded non-financial domestic and international securities listed on The Nasdaq Stock Market, based on market capitalization.

Russell 2000®: The Russell 2000® Index is a capitalization-weighted index designed to measure the performance of a market consisting of the 2,000 smallest publicly traded U.S. companies (in terms of market capitalization) that are included in the Russell 3000® Index. Source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"). © LSE Group 2020. FTSE Russell is a trading name of certain LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote/sponsor/endorse the content of this communication.

FTSE 100: The FTSE 100 is an index of the leading shares on the London Stock Exchange. Shanghai Composite: The SSE Composite Index is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Nikkei Stock Average: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States.

Stoxx Europe 600: The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Markets: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. (MSCI Website).

MSCI Emerging Markets Small Cap: The MSCI Emerging Markets Small Cap Index includes small cap representation across 23 Emerging Markets countries. With 1,889 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

US Dollar Index (USDX, DXY): An index (or measure) of the value of the United States dollar relative to a basket of currencies, often referred to as a basket of US trade partners' currencies.

VIX: The ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Shanghai Composite (SSE Index): The Shanghai Composite Index, also known as the SSE Index is a stock market index of all stock (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Certification: As the primary authors of this report, we hereby certify that the views and opinions expressed herein accurately reflect our personal views and opinions about the principal subject(s) of this report. Further, I hereby certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or personal views expressed herein.

Please contact your Davenport Financial Advisor for more information.

DAVENPORT
BUILDING WEALTH TOGETHER
1863

A Legacy of Excellence, a Commitment to Independence

Our mission is to serve our clients' best interests in pursuing their financial goals. We attract talented professionals who are guided by integrity and experience. Our firm fosters a collaborative environment in which time-tested principles are combined with current analytical tools to create investment strategies that serve our clients' needs. Independent and employee-owned since 1863, Davenport & Company is a trusted financial advisor to generations of families and institutions.

CORPORATE HEADQUARTERS

One James Center | 901 East Cary Street, Suite 1100 | Richmond, Virginia 23219
(804) 780-2000 (800) 846-6666
www.investdavenport.com

Charlotte*
101 North Tryon St., Ste. 1220
Charlotte, NC 28246
(704) 375-0550

Charlottesville
600 E. Water St., Ste. A
Charlottesville, VA 22902
(434) 296-9013

Danville
165 Holt Garrison Pkwy., Ste. 570B
Danville, VA 24540
(434) 836-5528

Farmville
101 North Main St.
Farmville, VA 23901
(434) 392-9813

Franklin
105 West Fourth Ave.
Franklin, VA 23851
(757) 562-0053

Fredericksburg
904 Princess Anne St., Ste. 102
Fredericksburg, VA 22401
(540) 373-1863

Greensboro
628 Green Valley Rd., Ste. 410
Greensboro, NC 27408
(336) 297-2800

Kilmarnock
141 Technology Park Dr.
Kilmarnock, VA 22482
(804) 435-7705

Leesburg*
19301 Winmeade Dr., Ste. 218
Leesburg, VA 20176
(571) 223-5893

Lynchburg
1104 Commerce St.
Lynchburg, VA 24504
(434) 948-1100

Newport News
11827 Canon Blvd., Ste. 404
Newport News, VA 23606
(757) 595-5740

Norfolk
101 West Main St., Ste. 4000
Norfolk, VA 23510
(757) 314-3600

Richmond
901 East Cary St., Ste. 1100
Richmond, VA 23219
(804) 780-2000

Raleigh
3605 Glenwood Ave., Ste. 310
Raleigh, NC 27612
(919) 571-6550

Roanoke
10 Franklin Road S.E., Ste. 450
Roanoke, VA 24011
(540) 345-1909

Sanford
503 Carthage St., Ste. 300
Sanford, NC 27330
(919) 777-9823

Suffolk
330 West Constance Rd., Ste. 200
Suffolk, VA 23434
(757) 539-5355

Towson*
The Oxford Building
8600 LaSalle Rd., Ste. 618
Towson, MD 21286-2014
(410) 296-9426

Virginia Beach
477 Viking Dr., Ste. 200
Virginia Beach, VA 23452
(757) 498-4000

Williamsburg
5400 Discovery Park Blvd., Ste. 301
Williamsburg, VA 23188
(757) 258-2800

**Public Finance office. Additional Public Finance services in Hilton Head and Mt. Pleasant, SC and Atlanta, GA available upon request.*