

MARKET COMMENTARY

MARCH 2022

- During February, the S&P 500® Index and Dow Jones Industrial Average® decreased, while the Russell 2000® increased
- The best performing S&P 500 sector was Energy
- Geopolitical uncertainty emerged as a concern
- The Omicron COVID strain appears to be rapidly abating

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Markets faced significant new challenges and uncertainties in February with the Russian invasion of Ukraine spiking energy prices higher while pressuring global equities. Reflecting this environment, the VIX Index or “fear gauge” continued its volatile path rising from the low 20’s mid-month to surge over 30 near month-end. For the full month, major equity indexes were volatile with the Dow Jones Industrial Average down 3.5%, the S&P 500® index down 3.1%, and the smaller cap weighted Russell 2000® increasing 1.0%.

The best performing S&P 500 sector in February by a large margin was Energy which was the only sector in positive territory and which increased a strong 6.4% followed by the Health Care and the Industrials sectors which were each down 1.1% for the month. The weakest performances in the month were posted by the Communication Services sector which decreased 7.0% followed by the Real Estate sector which was down 5.1%. For the prior twelve month period, the Energy sector was the best performer with a 48.5% increase followed by the Real Estate sector up 21.4%, while the Communication Services sector was the worst performer for the past twelve months with a 0.4% increase followed by the Consumer Discretionary sector which was up 7.8%.

Russia’s invasion of Ukraine drove investors from risk based assets at the end of February with equities initially selling off sharply before a limited end of the month rally. Investor angst over prospects for potential aggressive Fed tightening starting in March already had investors on edge with rising geopolitical tensions followed by the invasion driving uncertainty. Initial sanctions levied by the West on Russia excluded the energy sector as some had feared. However, the U.S. and allies removed access by Russian banks to the Worldwide Interbank Financial Telecommunications system (SWIFT), while Russian foreign currency reserves held in the West were also frozen. Although these latest sanctions do not target energy per se, they will make it more difficult for Russian petroleum sales to occur. Thus as the devastation in Ukraine continues, the West is intensifying financial sanctions and delivering military aid to the country. In the near term, market volatility will persist as events in Ukraine unfold.

Ultimately markets are not driven by geopolitics but by the evolving economic environment. War in Ukraine will create terrible hardship in that region, modestly impacting global economic growth near term. However, the U.S. economic backdrop remains robust despite inflationary pressures in place today. Employment has recovered from the COVID pandemic - with a spring reopening across America anticipated - while wages are rising along with consumer consumption. Yes, the Fed is poised to tighten, while inflation is a nagging thorn in our side, but this is reflected in market averages. We anticipate gaining further detail on Fed strategies in the near term- first with Fed Chair Powell’s Congressional testimony followed by the FOMC session on March 15/16. Further, we sense that investor expectations looking for a funds rate move toward 2.0% by yearend (via up to seven rate hikes) may prove too pessimistic given our anticipated slowdown of growth in addition to likely headwinds created near term by higher energy costs. That is, we anticipate the Fed could take a more cautious approach to tightening as well as a delay in reducing its balance sheet.

Where to from here?

Markets hate uncertainty and today we have much to be uncertain about with geopolitics, COVID, inflation and interest rates all in flux. Although the Russia-Ukraine conflict has emerged as a new concern, we are encouraged by the path of Omicron COVID that appears to be rapidly fading away, while the employment picture remains strong here in the U.S. Time will tell how the economy and geopolitical uncertainties play out but, given the current macro backdrop, we are hunkered down, remaining highly selective on new investments being focused on quality, lower beta, sector leading companies possessing pricing power that positions them for sustained durable growth over the intermediate term. We do not view the overall market (S&P 500) as being unusually cheap at current levels, although many growth oriented issues have corrected from fall 2021 peak levels to more attractive valuations for longer term investment. The Energy, Real Estate, and Consumer Staples sectors would seem to be well positioned to pass through inflationary cost pressures, while domestic focused reopening plays that have lagged could rebound smartly if the COVID pandemic continues to abate this spring.

MARKET AND ECONOMIC STATISTICS

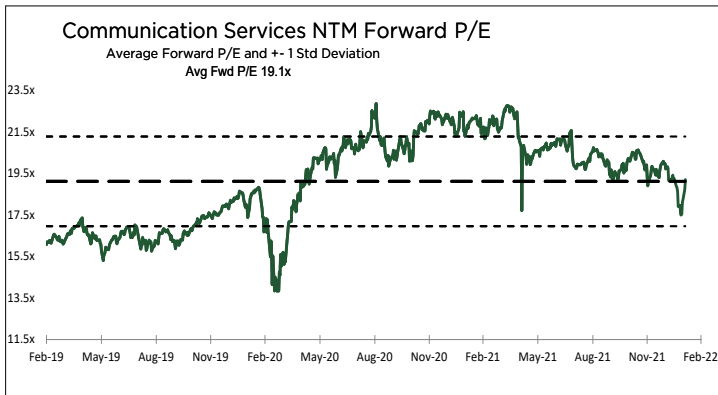
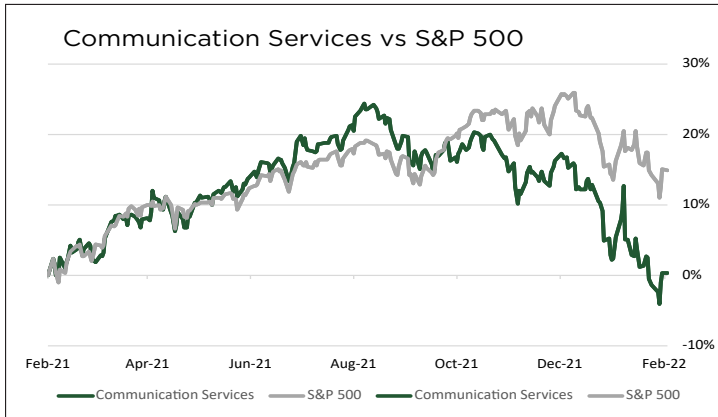
Market Indices:	2/28/2022	12/31/2021	% Change YTD	1/31/2022	% Change (Monthly)
S&P Composite	4,373.94	4,766.18	-8.23%	4,515.55	-3.14%
Dow Jones Industrials	33,892.60	36,338.30	-6.73%	35,131.86	-3.53%
NASDAQ Composite	13,751.40	15,644.97	-12.10%	14,239.88	-3.43%
Russell 2000	2,048.09	2,245.31	-8.78%	2,028.45	0.97%
FTSE 100	7,458.25	7,384.54	1.00%	7,464.37	-0.08%
Shanghai Composite	3,462.31	3,639.78	-4.88%	3,361.44	3.00%
Nikkei Stock Average	26,526.82	28,791.71	-7.87%	27,001.98	-1.76%
Stoxx Europe 600	453.11	487.80	-7.11%	468.88	-3.36%
MSCI Emerging Markets	1,171.31	1,232.01	-4.93%	1,208.23	-3.06%
MSCI Emerging Markets Small Cap	1,314.54	1,412.34	-6.92%	1,349.41	-2.58%
Performance of S&P 500 by Industry:	% of Index as of 02/28/22	1 Month	3 Month	Year to Date	12 Months
Consumer Discretionary	11.89%	-4.06%	-13.64%	-13.37%	7.80%
Consumer Staples	6.26%	-1.50%	6.66%	-3.00%	20.19%
Energy	3.76%	6.37%	30.25%	26.54%	48.52%
Financials	11.20%	-1.49%	1.50%	-1.57%	19.46%
Health Care	13.41%	-1.13%	0.18%	-7.95%	15.40%
Industrials	8.00%	-1.13%	-0.92%	-5.84%	10.23%
Information Technology	28.04%	-5.02%	-8.65%	-11.60%	17.78%
Materials	2.54%	-1.43%	-1.45%	-8.19%	13.42%
Communication Services	9.69%	-6.98%	-10.72%	-12.92%	0.36%
Utilities	2.57%	-2.32%	3.28%	-5.56%	16.30%
Real Estate	2.65%	-5.09%	-4.74%	-13.19%	21.38%
S&P 500 (Absolute performance)	100.00%	-3.14%	-4.23%	-8.23%	14.77%
Interest Rates:	2/28/2022	12/31/2021	YTD Change (Basis Points)	1/31/2022	Month Change (BPS)
Fed Funds Effective Rate	0.08%	0.09%	-1	0.08%	0
Prime Rate	3.25%	3.25%	0	3.25%	0
Three Month Treasury Bill	0.36%	0.09%	28	0.24%	12
Ten Year Treasury	1.83%	1.51%	31	1.78%	5
Spread - 10 Year vs 3 Month	1.47%	1.43%	4	1.54%	-7
Foreign Currencies:	2/28/2022	12/31/2021	% Change YTD	1/31/2022	% Change (Monthly)
Brazil Real (in US dollars)	0.19	0.18	7.9%	0.19	2.8%
British Pound (in US dollars)	1.34	1.35	-0.8%	1.34	-0.2%
Canadian Dollar (in US dollars)	0.79	0.79	-0.3%	0.79	0.3%
Chinese Yuan (per US dollar)	6.31	6.36	-0.7%	6.37	-0.9%
Euro (in US dollars)	1.12	1.14	-1.3%	1.12	-0.1%
Japanese Yen (per US dollar)	115.00	115.08	-0.1%	115.11	-0.1%
Commodity Prices:	2/28/2022	12/31/2021	% Change YTD	1/31/2022	% Change (Monthly)
CRB (Commodity) Index	609.47	578.31	5.4%	582.94	4.6%
Gold (Comex spot per troy oz.)	1908.99	1829.20	4.4%	1797.17	6.2%
Oil (West Texas int. crude)	95.72	75.21	27.3%	88.15	8.6%
Aluminum (LME spot per metric ton)	3388.00	2806.00	20.7%	3049.50	11.1%
Natural Gas (Futures 10,000 MMBtu)	4.40	3.73	18.0%	4.87	-9.7%
Economic Indicators:	2/28/2022	12/31/2021	% Change YTD	1/31/2022	% Change (Monthly)
Consumer Price Index	281.9	280.1	0.6%	280.1	0.65%
Producer Price Index	234.7	231.8	1.3%	234.0	0.3%
	Q4 2021	Q3 2021	Q2 2021	Q3 2020	Q4 2020
GDP Growth Rate (Quarterly)	7.00%	2.10%	6.70%	6.30%	4.50%
	February	January	December	November	October
Unemployment Rate (End of Month)	3.8%	4%	3.9%	4.2%	4.6%

*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.

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COMMUNICATION SERVICES



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-6.98%	-10.72%	-12.92%	0.36%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	T-Mobile US Inc	13.9%
	Omnicom Group Inc	11.3%
	Live Nation Ent	10.3%
	Walt Disney Co	3.8%
	Interpublic Group of Cos	3.5%
Laggards	Meta Platforms Inc	-32.6%
	Lumen Technologies Inc	-16.2%
	Paramount Global	-8.5%
	Netflix Inc	-7.6%
	AT&T Inc	-7.1%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$11.68	\$13.14	\$15.01
21.4x	19.1x	16.7x

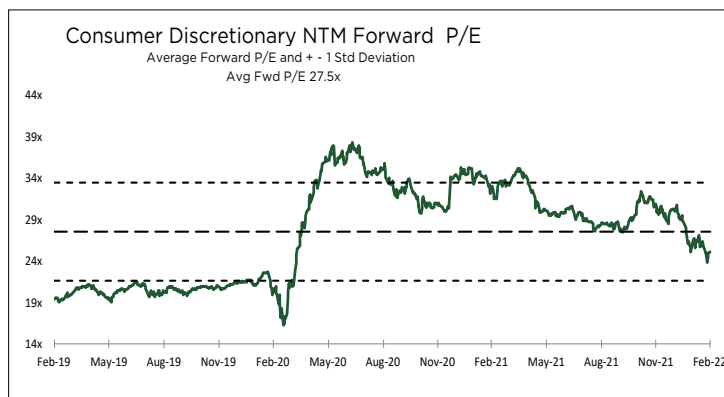
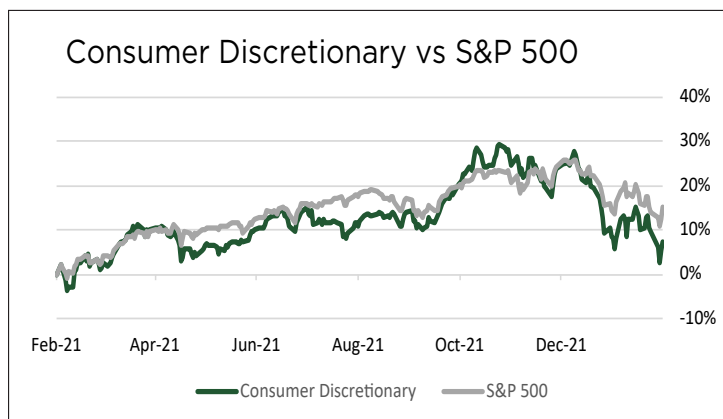
Sector Update

While Communications Services (-12.92%) underperformed the S&P 500 year-to-date, the Diversified Telecommunications sub sector outperformed the market year-to-date (-0.4%) driven by the performance of T Mobile and Verizon. Investors became more positively inclined toward T Mobile after the company reported better than expected results and guided to industry leading long-term wireless subscriber additions in 2022. Given that T Mobile completed the transition of 60% of Sprint customers to its network, it should benefit from lower subscriber turnover. While Verizon trails T Mobile in the build out of its nationwide, mid-band 5G network, Verizon could gain share in the large business market as the only carrier that offers businesses private 5G/Edge networks that will facilitate factory automation, robotics, intelligent logistics, and predictive maintenance.

Interactive Media and Services (-16.6%) underperformed Communications Services and the market YTD due to the significant decline in the shares of Meta Platforms (the parent company of Facebook). Facebook warned of a sharp deceleration in its revenue growth due to increased competition from Tik Tok and its reduced ability to target ads and measure ad outcomes following Apple's privacy update. Facebook's rival Alphabet was not impacted by Apple's privacy update since the company is able to effectively target ads based on consumer inquiries on its Google search engine.

Prior to Russia's invasion of Ukraine, we expected the Communications Services sector to outperform the market as Covid infections subsided and consumers returned to their normal activities. However, western sanctions placed on Russia in response to its invasion of Ukraine appear to have disrupted Russia's oil and gas exports and contributed to a sharp rise in energy prices. The Communications Services sector could underperform the market if elevated energy prices impact consumer spending on goods and services.

CONSUMER DISCRETIONARY



Source : Bloomberg

Sector Performance			
1 Month	3 Months	YTD	TTM
-4.06%	-13.64%	-13.37%	7.80%

S&P 500 Performance			
1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance		1 Month
Leaders	Ralph Lauren Corp	19.1%
	Penn National Gaming	12.6%
	Caesars Entertainment	10.6%
	Dollar Tree Inc	8.3%
	Tapestry Inc	7.8%
Laggards	LKQ Corp	-14.5%
	Home Depot Inc/The	-13.9%
	Ford Motor Co	-13.5%
	Advance Auto Parts Inc	-11.7%
	Booking Holdings Inc	-11.6%

Consensus FY EPS / P/E		
Last Year	Current Year	Next Year
\$40.05	\$53.46	\$65.18
36.3x	27.2x	22.3x

Sector Update

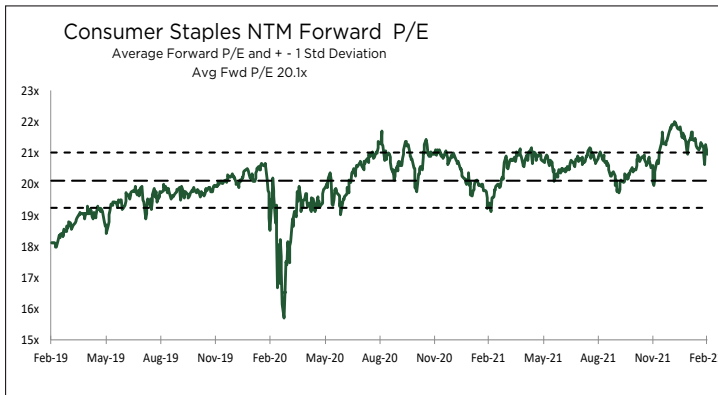
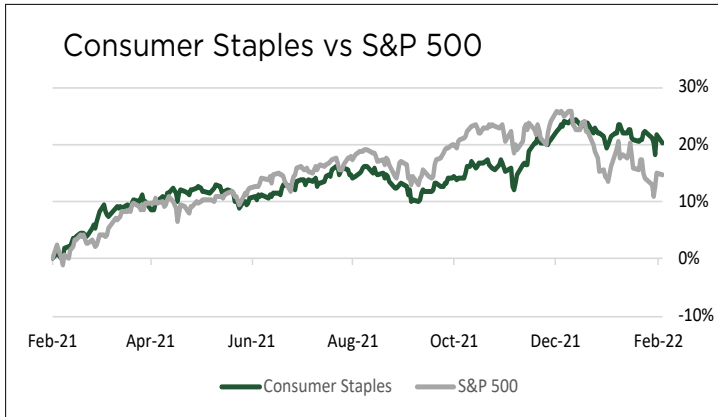
February was another challenging month for the Consumer Discretionary sector which once again posted monthly performance below the S&P 500 as seen in the accompanying table. Sub-sector performance was varied across the sector with pockets of strength led by leisure products and internet categories offset by particular softness seen in specialty retail, distributors, textiles, apparel & luxury goods, multiline retail, and household durables. Looking at the performance of the Consumer Discretionary sector over the past twelve month period, the sector has underperformed the S&P 500 despite strength in sub-sectors including automobiles, distributors, and specialty retail.

Consumer Confidence as reported by the Conference Board slipped in February to 110.5 from 111.1 bringing the index to a five-month low. Consumers appear to be concerned about rising inflation while there could also be lingering effects from the Omicron variant of COVID-19 impacting confidence. The expectations index, which measures the short-term consumer economic outlook, dropped to 87.5 from 88.8 suggesting that consumers are concerned about the future of the economy. The University of Michigan Consumer Sentiment index was reported at 62.8 at the end of February which represented a slight increase from the preliminary mark of 61.7 in early February. These levels of sentiment are the lowest seen in the last decade as consumers face rising inflation and the ongoing impacts of the global pandemic. With both the consumer confidence and consumer sentiment metrics for February tracked prior to the launch of hostilities in Europe, upcoming data could be impacted by these developments depending on the direction of news coming out of Europe.

Core consumer spending was very strong in January with retail sales up 3.8% as reported in mid-February by the Commerce Department. The January pop in retail sales represented the strongest growth since March of last year with widespread growth across economic categories. The January result signified a sharp reversal from December data which was revised downward to -2.5%. The surge in Omicron in December followed by signs of easing in January appears to have contributed to the monthly variance in spending. Rising inflation likely also contributed to the increase in January retail sales.

New home sales declined 4.5% month-to-month in January to an annualized rate of 801,000 homes according to the Census Bureau. On an annualized basis the decline in new home sales was steeper coming in at a 19.3% drop from the prior year. Factors influencing the pace of new home sales range from the Omicron variant of COVID-19 to rising mortgage rates. The median sales price of new homes sold in January was \$423,300 with an average price of \$496,900. The seasonally-adjusted estimate of new homes for sale at the end of January was 406,000 which represents a 6.1 months supply at the current sales rate.

CONSUMER STAPLES



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.50%	6.66%	-3.00%	20.19%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	Sysco Corp	11.5%
	Kraft Heinz Co	9.6%
	Molson Coors Beverage	9.5%
	Kroger Co	7.4%
	Archer-Daniels-Midland	4.6%

Laggards	Company	1 Month
	Clorox Co	-13.1%
	Constellation Brands Inc	-9.3%
	Walgreens Boots Alliance	-7.4%
	Colgate-Palmolive Co	-6.7%
	PepsiCo Inc	-5.6%

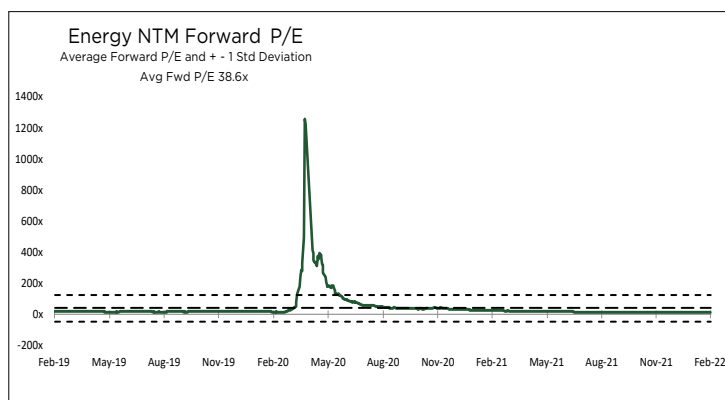
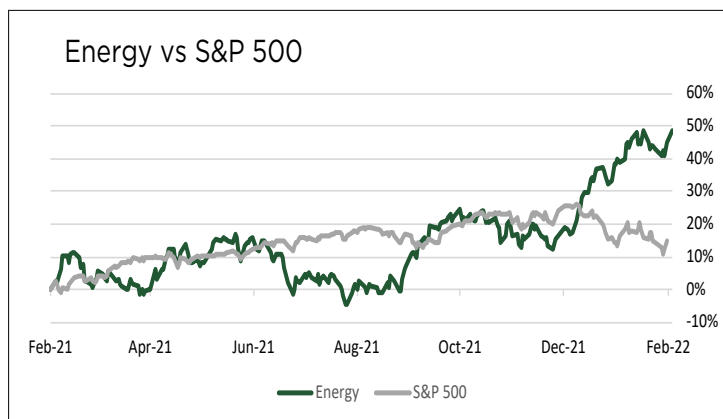
Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$34.95	\$36.24	\$39.31
22.7x	21.9x	20.2x

Sector Update

The Consumer Staples sector decreased 1.50% on average in February and well outperformed the S&P 500 Index that declined 3.14% for the month. Food and Staples Retailing and Food Products sectors recorded modest growth while the remaining sectors declined. Personal Products remained the weakest sector reflecting tough comps with last year and a more volatile operating environment. We continue to prefer investment in Consumer Staples Companies with strong brands with leading market shares and pricing, strong balance sheets and cash flow generation, consistent earnings delivery, experienced management and a focus on returning value to shareholders. The companies continue to face challenges of higher input and freight costs, labor difficulties, supply chain disruptions, pricing, consumer behavior, uncertain market reopening timing, a volatile operating environment and a tough comp with last year. Historically, strong top-line growth translates into higher margins and earnings for Consumer Staples companies. With increasing input cost pressures, uncertainty regarding EPS momentum and margin recovery persists longer. The uncertain global economic backdrop could result in an increasing level of interest in Consumer Staples stocks despite the higher input cost uncertainty as investors look to reposition with more defensive investments. Most Consumer Staples companies have a low-single digit percent exposure to Russia/Ukraine, with PM and PEP having the greatest exposure. It remains early, but companies are focusing on the safety of their employees while working on contingency plans. An investment in many of the Consumer Staples companies continues to offer an attractive dividend yield.

This month we highlight the top five takeaways from the virtual CAGNY Conference in 2022, including elevated sales, continued expected higher input cost inflation, rising geopolitical risks, pricing, and expected M&A. Managements are optimistic that sales should remain elevated as consumer purchase patterns remain strong despite higher prices. The question remains as to how long the elevated sales persist. Following the pandemic, consumers are expected to be more focused on hygiene, cleaning, clean ingredients, and healthy eating while shopping patterns are shifting to e-commerce and click and collect. Those companies that successfully executed and leveraged their supply chains and kept product on retailer shelves should emerge stronger. Companies are currently targeting mid-to-low teens continued input cost inflation with plans for pricing, mix and realized cost savings to mitigate the challenges. Management teams did comment that the operating environment remains the most challenging they have yet seen, reflecting COVID, the rapid rise in input cost inflation, supply chain disruptions, consumer behavior patterns and a volatile operating environment. Rising geopolitical risks are leading to another likely step up in commodity cost inflation (oil, packaging, resin, grains, etc) and potentially more pricing. Most Consumer Staples companies have already increased prices 1 or 2 times by mid-high digits on average and are now considering additional pricing. Consumers and retailers are not currently pushing back against pricing. As companies emerge, they are operating with healthier balance sheets that support increased likelihood for M&A transactions and returning value to shareholders through dividends and share repurchases. We continue to advise the selective investment among the Consumer Staples stocks.



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
6.37%	30.25%	26.54%	48.52%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	Baker Hughes Co	24.1%
	Devon Energy Corp	17.8%
	Occidental Petroleum	16.1%
	Marathon Oil Corp	15.9%
	Chevron Corp	9.6%
Laggards	ConocoPhillips	-75.4%
	Phillips 66	-0.6%
	Kinder Morgan Inc	0.2%
	Schlumberger NV	0.4%
	Valero Energy Corp	0.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$32.39	\$44.13	\$42.19
15.5x	11.4x	11.9x

Sector Update

Energy stocks had another strong month in February following the group's exceptional January performance. Energy stocks once again led all eleven sectors of the S&P 500 for the month. Outperformance was a function of the volatile market backdrop and surging prices due to the Russian incursion into Ukraine. Rising geopolitical issues increased concerns around supply fundamentals helping to boost energy prices. With the price gains posted in February, the Energy sector further demonstrated its relative outperformance versus the S&P 500 on a trailing twelve-month basis, as seen in the accompanying table.

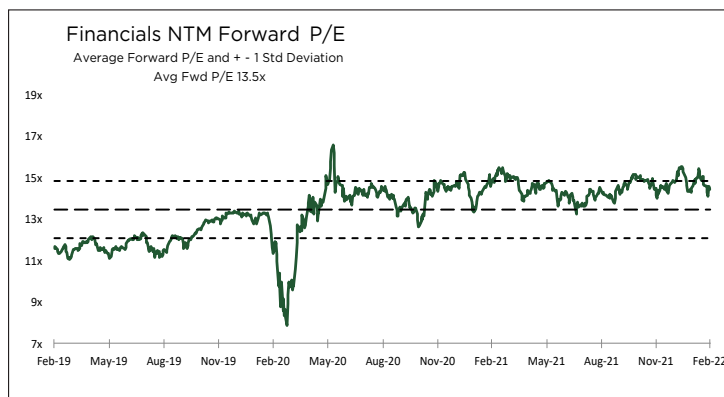
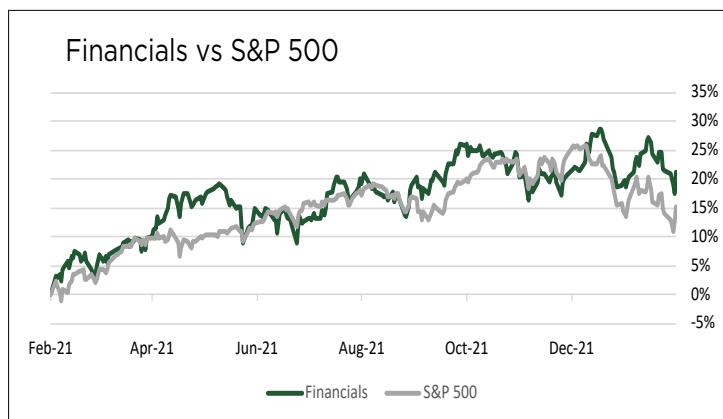
The emerging conflict in Europe between Russia and Ukraine presented a volatile backdrop for energy markets in February. The uncertainty around the potential for war in Europe and potential associated impact on global energy markets sent oil prices to multi-year highs with both Brent crude and WTI Crude reaching \$100 per barrel late in February. With Russia providing over one-third of Europe's natural gas, the conflict fueled sharp spikes in natural gas as well. A further escalation of the conflict could result in increased uncertainty and volatility in energy markets particularly considering that, in addition to the European gas markets, Russia provides about 10% of world oil supplies.

Tightness in oil supply growth has added to volatility in energy markets with the International Energy Agency (IEA) indicating prices could move even higher as a result. The supply concerns come despite moves by OPEC+ to raise production levels as some producers have had difficulty meeting rising targets. As oil demand has picked up, OPEC has encouraged producers to increase supply to provide balance to markets. However, for a range of reasons including aging oil infrastructure and the pandemic, some producers have not met quota goals. In the monthly IEA market report the organization noted that: "If the persistent gap between OPEC+ output and its target levels continue, supply tensions will rise, increasing the likelihood of more volatility and upward pressure on price."

Oil prices were very strong in February at the start of the Russia-Ukraine conflict with WTI crude increasing from the high \$80's per barrel at the start of the month to end February trading towards \$100 per barrel. Retail gasoline prices have generally been moving higher this year and at the end of February, gasoline prices reached \$3.70 per gallon which represented a significant increase from January at \$3.46 per gallon and up sharply from \$2.72 last year.

The Baker Hughes oil rig count increased in the month coming in at 522 rigs on February 25 versus 495 rigs on January 28. Oil rig counts have been slowly climbing as the macro backdrop has begun to recover. We note that the total rig count is above last year's level of 309 which reflected the sharp prior year drop due to the pandemic. The trough U.S. daily crude oil production seen in 2015 was in the 8.5 million barrels per day range and peaked in early 2020 at about 13.1 million barrels per day and is now at 11.6 million barrels per day at the end of the month.

FINANCIALS



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.49%	1.50%	-1.57%	19.46%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	Signature Bank	13.2%
	Assurant Inc	11.3%
	MarketAxess Holdings	10.7%
	People's United Financial	8.8%
	American Express Co	8.2%
Laggards	Morgan Stanley	-11.5%
	Bank of New York Mellon	-10.3%
	State Street Corp	-9.7%
	BlackRock Inc	-9.6%
	S&P Global Inc	-9.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$48.48	\$43.64	\$49.57
13.4x	14.9x	13.1x

Sector Update

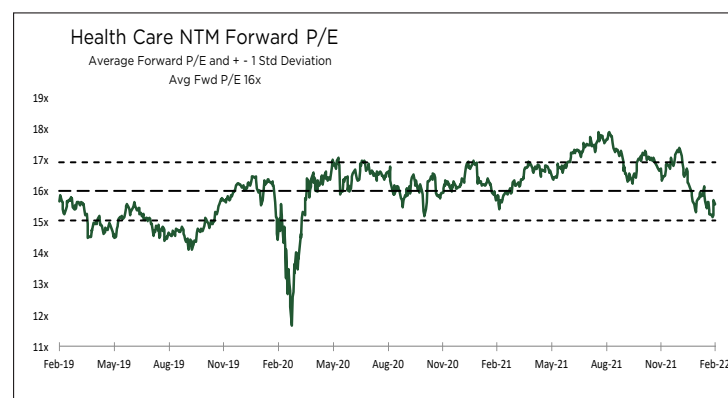
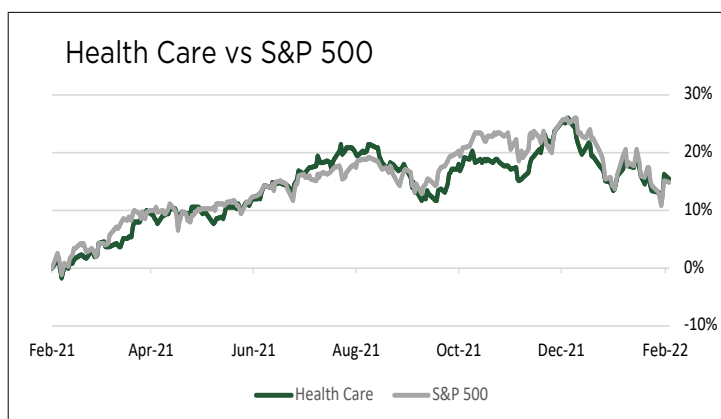
The Financials sector declined 1.49% in February, outperforming a 3.14% decrease in the S&P 500® in the same period. On a trailing twelve-month basis, the Financials sector improved 19.46% compared to a 14.77% gain in the S&P. On a year to date basis, Financials outperformed the S&P 500 by a wide margin, down 1.57% compared to an 8.23% pullback in the broader market in the first two months of the year. The sector's sensitivity to interest rates likely drove outperformance against the broader market as many sectors face stiff headwinds from increased volatility and multiple compression related to rising rate expectations.

Consumer Finance was the strongest performing sub-sector in the month, improving 6.2% from January. Capital Markets and Banks declined in the month, with those sub-sectors down 5.4% and 2.6% respectively. We note the Consumer Finance group has been the strongest performing sub-sector in Financials across the past month, quarter, YTD period, and trailing twelve months as credit performance has remained near record levels with loan growth outstripping traditional banking peers.

Morgan Stanley (MS) was the laggard of the group in February, down 11.5% from the prior month. In addition to broader weakness, reports emerged that the SEC and Justice Department are engaged in investigations into block trading practices at the firm and peers such as Goldman Sachs (GS). Reports suggest these large capital market focused banks received subpoenas for trading records and information on communication with hedge funds to examine whether the company tipped hedge fund clients in advance of large share sales known as block trades. We note that the \$300MM in fees tied to block trading earned by MS reported by the Wall Street Journal represents ~0.05% of its nearly \$60B in FY21 revenues.

Fed policy remains a central theme in the market and Financials sector. Throughout most of February, consensus expected a fairly high probability of a 50 bps 'double hike' in the overnight fed funds rate in March to quell demand and ease persistent inflationary pressures. In fact, as recently as February 23rd the market embedded a 100% chance of a 25 bps hike and additional 36% probability of another 25 bps hike. Following Russia's invasion of Ukraine, expectations fell to a 97% chance of a 25 bps hike at the March 16 meeting. Importantly, the implied curve currently embeds less than six rate hikes by year-end, down from between six and seven hikes expected as of 2/23/22, per Bloomberg data.

HEALTH CARE



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.13%	0.18%	-7.95%	15.40%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	Organon & Co	17.0%
	Henry Schein Inc	14.7%
	Bio-Techne Corp	11.4%
	Universal Health Services	10.7%
	Humana Inc	10.7%
Laggards	Viatis Inc	-26.5%
	Gilead Sciences Inc	-12.1%
	Charles River Labs	-11.7%
	Pfizer Inc	-10.9%
	Moderna Inc	-9.3%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$78.72	\$97.00	\$95.99
19.4x	15.8x	15.9x

Sector Update

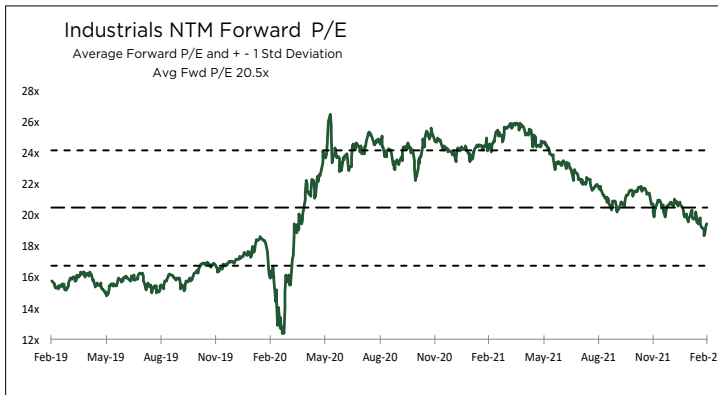
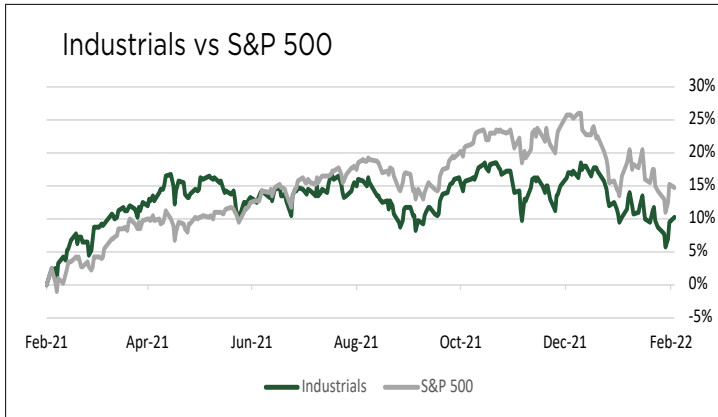
Market turbulence continued into February as inflation accelerated raising fears of a potential aggressive move on interest rates by the Fed to prevent a wage price spiral. Then, toward the end of the month, the buildup of Russian troops at the Ukrainian border, followed by an invasion, drove further uncertainty with markets approaching and in some cases moving into correction territory. As depicted in the adjacent table, the Health Care sector – viewed as defensive in nature and not over extended on a valuation basis – has experienced less selling pressure in the past month and year to date versus the broad market averages. That is, in February, the Health Care index backed off 1.13% that contrasts with the S&P 500* that declined by 3.14%, while on a year to date basis, the comparison shows health care down 7.95% versus 8.23% for the S&P.

In the meantime, given economic uncertainties driven by the war in Ukraine combined with the shift in Fed policy, we view health care as poised to outperform over the intermediate term as economic growth slows. That is, demand for health care products and services is poised to trend higher into 2H2022 as Omicron COVID fades in the U.S. with many seniors that have deferred treatments likely moving forward as the U.S. reopens and masks are put away. Beyond this catch up on deferred demand, demographics support sustained growth in demand for health products and services over the intermediate and longer term, while steady high single – double digit earnings growth is forecast into 2024 that likely positions this sector to outperform during a period of slowing overall economic growth.

As outlined in the adjacent graphic, in February a handful of firms experienced 14-18% price appreciation – driven primarily by upside 4Q2021 earnings with momentum at Organon, BioTechne, Resmed, and Henry Schein looking for another strong year into 2022 tied to new products and abatement of COVID. Others experienced selling pressure, with Viatis declining on divestiture of a key growth biosimilars business to Biocon for \$3.3B, while Pfizer (forecast to see strong sales in 2022 associated with its COVID vaccine Comirnaty and antiviral Paxlovid), had setbacks in trials for Comirnaty use in children as well as a new growth hormone. Gilead experienced FDA issues concerning compatibility of packaging with new therapeutic Lenacapavir.

Focusing on 2022, the critical factors we monitor remain unchanged – the COVID pandemic and Fed interest rate policy. COVID (testing and therapeutics) could see sustained softening in demand; deferred services could ramp; while Fed strategy on interest rates will likely influence markets. Still, we view Health Care as poised to outperform in the evolving environment.

INDUSTRIALS



Source : Bloomberg

Sector Performance			
1 Month	3 Months	YTD	TTM
-1.13%	-0.92%	-5.84%	10.23%

S&P 500 Performance			
1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance		1 Month
Leaders	Ingersoll Rand Inc	93.2%
	L3Harris Technologies Inc	20.6%
	Northrop Grumman Corp	19.5%
	Howmet Aerospace Inc	15.5%
	Raytheon Technologies	13.9%
Laggards	Xylem Inc/NY	-15.3%
	Masco Corp	-11.5%
	Trane Technologies PLC	-11.1%
	IDEX Corp	-10.9%
	Johnson Controls Int	-10.6%

Consensus FY EPS / P/E		
Last Year	Current Year	Next Year
\$30.31	\$41.76	\$50.02
28.1x	20.4x	17.0x

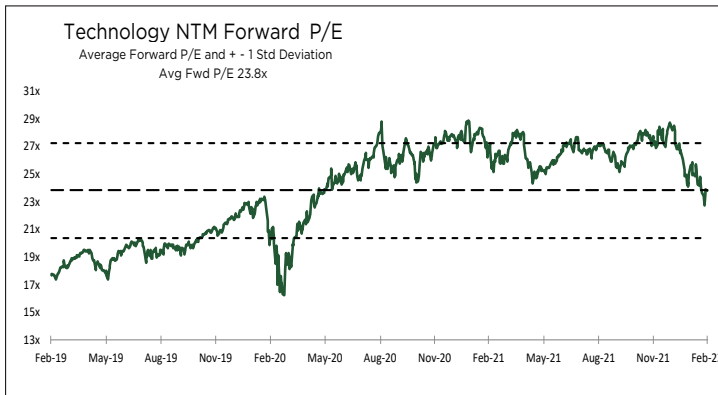
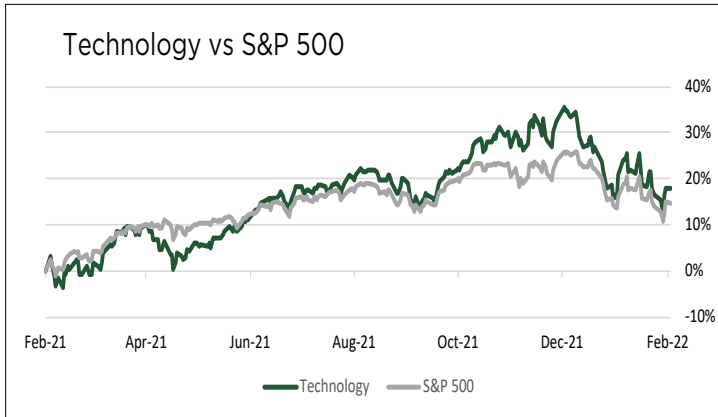
Sector Update

The industrial sector ended February down -1.13% for the month, totaling a 10.23% return over a trailing twelve month period. Despite lagging the S&P 500 over the last twelve months, the Industrial sector's 1.13% loss outperformed the S&P 500's loss of 3.14%. The sector remains a supply chain-constrained environment, although expectations of elevated defense spending drove the sector in February after Russia's recent invasion of Ukraine, despite an otherwise tough environment afflicted by inflationary pressures and uncertainty over monetary policy. Aerospace & Defense led the industrial sub-sectors in February with an 11.4% gain, followed by a 6.1% return from Construction & Engineering. Construction & Engineering, Airlines, and Aerospace & Defense were the only three sub-sectors that posted positive returns, while the remaining nine sub-sectors reported losses for the month.

According to the Institute for Supply Chain Management, the manufacturing segment experienced higher-than-normal quits rates and early retirements that continued to negatively impact the sector, while Covid-19 persisted in negatively affecting the sector. However, there were signs of relief on the Covid-19 front, with recovery expected in March. Demand expanded with the New Orders Index increasing and remaining in strong growth territory, supported by stronger expansion of new export orders, Customers' Inventories Index remaining at a very low level, and the Backlog of Orders Index increasing to historically high levels.

The Institute for Supply Management reported that manufacturing activity experienced an increase in February with a PMI of 58.6%. Labor difficulties and higher prices remain a hindrance to supply, while demand remains strong. Panelist sentiment reminded strongly optimistic, with 12 positive comments for every cautious comment, up from January's ratio of 7-1.

INFORMATION TECHNOLOGY



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.02%	-8.65%	-11.60%	17.78%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	SolarEdge Technologies	34.1%
	Enphase Energy Inc	18.7%
	Fortinet Inc	15.9%
	Monolithic Power	13.8%
	DXC Technology Co	13.1%
Laggards	EPAM Systems Inc	-56.4%
	PayPal Holdings Inc	-34.9%
	Fidelity National Info.	-20.6%
	Zebra Technologies Corp	-18.8%
	IPG Photonics Corp	-15.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$91.86	\$108.44	\$121.52
31.0x	26.2x	23.4x

Sector Update

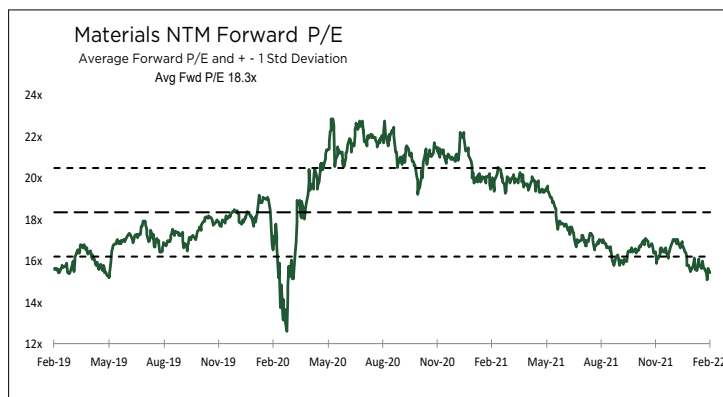
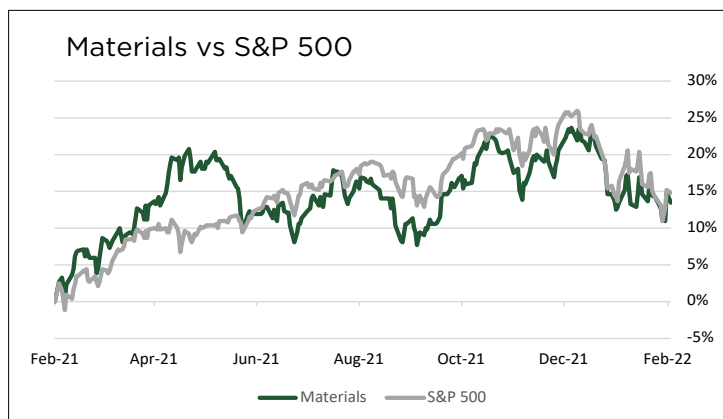
The Technology sector significantly outperformed the market over the past two years driven by robust earnings growth and the expansion of P/E multiples. However, the Federal Reserve's potential increase of interest rates to combat high inflation could contribute to the contraction of P/E multiples. Technology underperformed the market year-to-date as investors shifted their investment to sectors with more attractive valuations. Speculative technology companies with minimal earnings and free cash flow to support their valuations fell more sharply than highly profitable companies.

While Software underperformed the market, leading security software companies, Fortinet and Palo Alto Networks significantly outperformed the market after reporting better than expected results. Russia's invasion of Ukraine prompted the U.S. and Europe to impose sanctions on Russia. In response to these sanctions, Russia could retaliate by attempting to hack corporate and government networks. This potential scenario could drive companies to further increase their spending on security software.

While Semiconductor valuations have become more attractive, there is potential risk that higher energy prices could impact global economic growth and lead to a recession in 2023. In our view, semiconductor valuations do not currently reflect a potential recession in 2023.

The Technology sector's P/E multiple contracted to 26.2x but remained above its average forward multiple of 23.8x. We expect the Technology sector to continue to underperform the market in the near-term due to the further decline in sector P/E multiples.

MATERIALS



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.43%	-1.45%	-8.19%	13.42%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	Mosaic Co/The	31.2%
	Nucor Corp	29.8%
	Freeport-McMoRan Inc	26.1%
	CF Industries Holdings	17.9%
	Newmont Corp	8.2%
Laggards	Company	1 Month
	Air Products and Chem	-16.2%
	PPG Industries Inc	-14.6%
	Avery Dennison Corp	-14.2%
	Albemarle Corp	-11.3%
	Celanese Corp	-10.6%

Consensus FY EPS / P/E

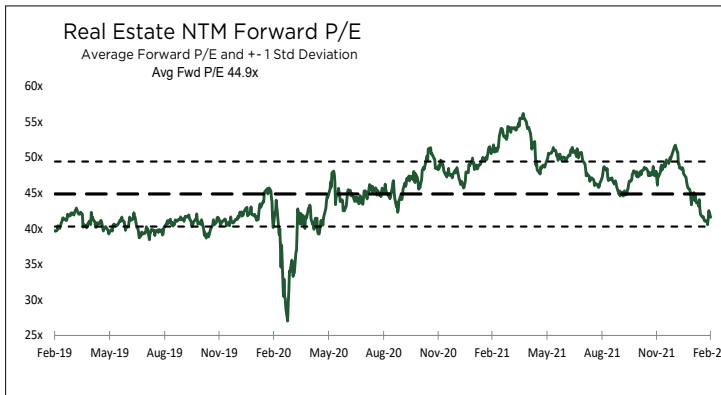
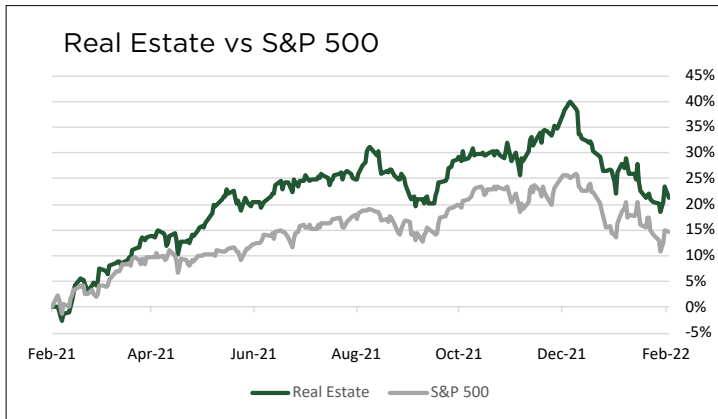
Last Year	Current Year	Next Year
\$30.87	\$34.17	\$32.69
17.2x	15.5x	16.2x

Sector Update

The Materials segment decreased 1.43% in February and underperformed the S&P 500 Index that decreased 3.14%. Russia's attack on Ukraine represents the biggest development influencing companies in the materials segment during February. The conflict has driven up prices for key commodities, ended volatility and tightened the global supply/demand dynamic for key commodities. The Metals and Mining segment rose 20.3% in the month and far outperformed the other sectors that actually all reported declines for the month. The strong outperformance reflects increased tightening global supply and demand reflecting ended geopolitical risks, favorable pricing and ended volatility. The worldwide transition in the energy space and investment in renewables supports strong demand for metals (ie lithium, copper, nickel, etc.). Metal stock prices have increased in response to tightening supply and demand (ie EV production) and rising inflation. Portfolio hedging and the view surrounding the Fed's approach to inflation and risk for slower growth represent additional key influences. Key factors for 2022 center on the geopolitical risk, supply and demand, pricing, the global economic outlook, and successful navigation of input cost and supply chain issues. The recent spike in input costs along with the ability to pass through these higher costs now represent a greater relevance on FY22 earnings. Selective investment among the stocks in the segment remains a key strategy

Sanctions imposed by countries in response to Russia's attack on Ukraine further tightened the supply of commodities and restrict global trade. Higher oil prices are driving up key input costs across many sectors including Agriculture, Chemicals, Protein, Food, Beverage, Household, Personal Care and Packaging among others. Agriculture stocks face a volatile market with rising input costs and reduced exports. There is greater potential for disruptions from the Russia/Ukraine conflict for the supply of nitrogen, fertilizers, grains etc. Russia is the largest exporter of nitrogen, the third in potash and the fifth in phosphate. In grains, Russia is the largest exporter of wheat and Ukraine is the fourth largest in corn. Chemical companies face rising inflation input cost pressures (oil) following the conflict. The key factor centers on whether the companies can successfully pass through higher inputs through pricing. For January, total domestic home sales rose 6.7% which strengthened sequentially and exceeded the consensus outlook. The supply of homes domestically remains tight and demand remains relatively strong. Key variables include interest rate movement, housing supply and demand and consumer confidence in the economy. Rising mortgage rates could pressure some potential home buyers to exit the market. Strong consumer demand should continue to support the repair and remodel activity.

REAL ESTATE



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.09%	-4.74%	-13.19%	21.38%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance 1 Month

Leaders	Company	1 Month
	Boston Properties Inc	9.1%
	Iron Mountain Inc	7.1%
	Vornado Realty Trust	5.5%
	Host Hotels & Resorts Inc	5.4%
	Ventas Inc	1.8%
Laggards	Healthpeak Properties	-12.2%
	American Tower Corp	-9.8%
	Digital Realty Trust Inc	-9.6%
	Crown Castle Int	-8.7%
	Duke Realty Corp	-8.3%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$5.97	\$6.68	\$7.31
49.7x	44.5x	40.6x

Sector Update

2022 has gotten off to a rough start for investors as details in the adjacent table outline - with the S&P 500* declining by 8.23% as inflation has accelerated raising fears of potential aggressive moves to come on interest rates by the Fed attempting to squelch a wage price spiral. Compounding initial fears, in the second half of February, the buildup of Russian troops at the Ukrainian border followed by invasion has driven uncertainty to the markets along with a surge in commodities (notably oil & wheat) that is widely anticipated to fuel incremental inflation trends into mid-year 2022.

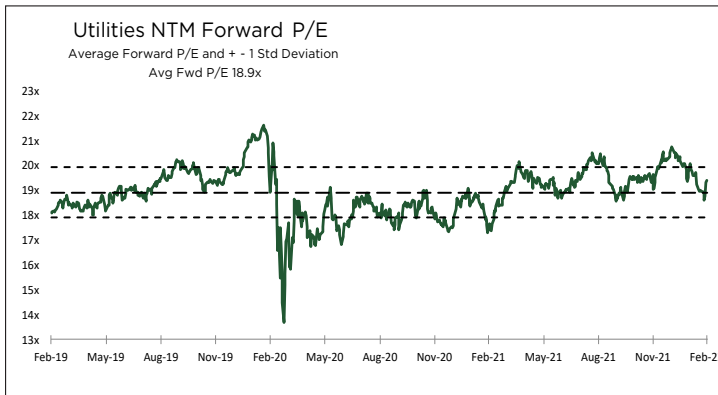
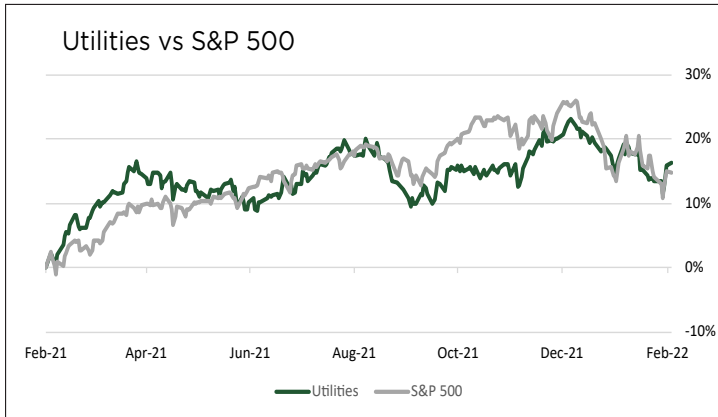
These factors likely reinforce the Fed's plans to shift strategy toward tightening via fed fund rate hikes commencing with the upcoming March 15/16 FOMC session to be followed later this spring with the start to shrinking the Fed's balance sheet. The net result of this is that interest rates have risen measurably since the beginning of 2022 - although a recent flight to safety has seen demand for Treasuries rise that has tempered the increase in yields of late. Still, the 10 year Treasury that offered a yield of 1.63% on January 3, 2022 and broached 2.0% in February, closed on March 1st at 1.72%. As a result, the interest rate sensitive Real Estate sector has experienced a shift in investor sentiment having underperformed the broad market in 2022 after a period of outperformance in 2021 (outlined in the adjacent tables) with the sector having sold off 13.19% YTD.

Given this backdrop, it is not surprising that Real Estate was the second worst subsector within the S&P 500 through the first two months of 2022. Still, 4Q2021 results exceeded investor expectations among some sector participants as expectations for a wind down of COVID this spring drove improved occupancy among retail, office, warehouse and medical (life science and medical office buildings) sub segments in some regions. Still, churn from the T-Mobile/Sprint merger has impacted the cell tower space (a situation that could persist to some extent into 2024). As a result, we saw mixed results and lagging sector performance with 4Q2021 earnings season.

Iron Mountain delivered upside 4Q2021 results from its service and storage business, while momentum in its data center unit is robust - supplemented by the January 2022 acquisition of ITRenew. Likewise, Host Hotels is experiencing RevPAR growth as COVID fades into the rear view mirror driving appreciation. Occupancies are on the rise at Boston Properties and Vornado with leasing ramping. Other Real Estate subsectors lagged with HealthPeak experiencing challenges in its senior housing segment; Digital Realty delivering a lackluster 4Q2021 driven by rising utility costs; and, American Tower expecting churn to be a challenge in 2022.

Rising interest rates will likely remain the challenge to investor sentiment in 2022. Still, we like the intermediate and longer term outlook for the sector remaining more focused on issues in the logistics, cell tower, and self-storage segments for long term investment.

UTILITIES



Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-2.32%	3.28%	-5.56%	16.30%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-3.14%	-4.23%	-8.23%	14.77%

Company Performance

	1 Month
Leaders	
Sempra Energy	4.4%
Exelon Corp	3.0%
Atmos Energy Corp	2.4%
Pinnacle West Capital Corp	1.8%
Edison International	1.0%
Laggards	
PPL Corp	-11.8%
Eversource Energy	-8.6%
Southern Co/The	-6.8%
WEC Energy Group Inc	-6.3%
American Water Works	-6.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
\$16.60	\$17.49	\$18.76
21.2x	20.1x	18.7x

Sector Update

The Utilities sector fell 2.32% in February, outperforming a 3.14% decline in the S&P500® in the same period. In the past three months, the sector improved 3.28% against a 4.23% decrease in the S&P. We note year to date and trailing twelve month comparisons favor the defensive sector, outperforming the broader market index by 2.67 and 1.53 percentage points in those periods, respectively. Increased volatility and flight to defensive positioning likely benefitted performance in the sector in recent months.

All Utilities sub-sectors posted monthly declines in February. The weakest subsector in the period was Water Utilities, which includes just one company, American Water Works (AWK), down 6%. Independent and Renewable Producers pulled back 4.3% in the month following an 8.7% decline in January. Electric Utilities declined 2.8% while Multi-utilities held up the strongest with a 1.1% drop in the month.

It appears higher multiple Utilities concentrated in Renewables and Water sub-sectors have experienced valuation compression related to rising rate expectations. Meanwhile, the recent invasion of Ukraine by Russia has brought a focus on energy independence on the domestic and global stage, creating a shifting narrative around longer-term renewable investment and near-term supply imbalances in traditional energy markets. Against this backdrop, Sempra Energy (SRE) shares lead the sector in performance, up 4.4% in the month given the company's exposure to natural gas distribution, transmission, and exports. SRE generates more than 60% of its revenues in its gas businesses, which are expected to benefit from elevated prices caused by the current geopolitical situation.

PPL Corp (PPL) was the weakest performer in the Utilities sector in February, down 11.8% following a significant miss in its Q4 earnings report compared to consensus expectations in addition to a 52% dividend cut reflecting lost income associated with the sale of its U.K. utility business.

We continue to favor new investment in secular growth stories with attractive valuations following recent volatility; however, the attractive yields and historically defensive characteristics of the sector in combination with renewable growth themes for select firms remain reasons to maintain exposure in the Utilities space.

ECONOMIC CALENDAR

Date	Release	For	Prior
4-Mar	Nonfarm Payrolls	Feb	481k
4-Mar	Nonfarm Private Payrolls	Feb	448k
4-Mar	Avg. Hourly Earnings	Feb	0.6%
4-Mar	Unemployment Rate	Feb	4.0%
4-Mar	Average Workweek	Feb	34.6
7-Mar	Consumer Credit	Jan	\$18.9B
8-Mar	Trade Balance	Jan	-\$80.7B
8-Mar	Wholesale Inventories	Jan	2.2%
9-Mar	MBA Mortgage Applications Index	03/05	-0.7%
9-Mar	EIA Crude Oil Inventories	03/05	-2.597M
10-Mar	CPI	Feb	0.6%
10-Mar	Core CPI	Feb	0.6%
10-Mar	Initial Claims	03/05	215k
10-Mar	Continuing Claims	02/29	1476K
10-Mar	EIA Natural Gas Inventories	03/05	-139 bcf
10-Mar	Treasury Budget	Feb	\$118.7B
11-Mar	Univ. of Michigan Consumer Sentiment - Prelim	Mar	62.8
15-Mar	Core PPI	Feb	NA
15-Mar	Empire State Manufacturing	Mar	NA
15-Mar	PPI	Feb	NA
16-Mar	MBA Mortgage Applications Index	03/12	NA
16-Mar	Export Prices ex-ag.	Feb	NA
16-Mar	Import Prices ex-oil	Feb	NA
16-Mar	Retail Sales	Feb	NA
16-Mar	Retail Sales ex-auto	Feb	NA
16-Mar	Business Inventories	Jan	NA
16-Mar	NAHB Housing Market Index	Mar	NA
16-Mar	EIA Crude Oil Inventories	03/12	NA
16-Mar	FOMC Rate Decision	Mar	NA
17-Mar	Building Permits	Feb	NA
17-Mar	Continuing Claims	03/05	NA
17-Mar	Housing Starts	Feb	NA
17-Mar	Initial Claims	03/12	NA
17-Mar	Philadelphia Fed Index	Mar	NA
17-Mar	Capacity Utilization	Feb	NA
17-Mar	Industrial Production	Feb	NA
17-Mar	EIA Natural Gas Inventories	2/19	NA
18-Mar	Existing Home Sales	Feb	NA
23-Mar	MBA Mortgage Applications Index	03/19	NA
23-Mar	New Home Sales	Feb	NA
23-Mar	EIA Crude Oil Inventories	03/19	NA
24-Mar	Continuing Claims	03/12	NA

ECONOMIC CALENDAR

24-Mar	Current Account Balance	Q4	NA
24-Mar	Durable Orders	Feb	NA
24-Mar	Initial Claims	03/19	NA
24-Mar	EIA Natural Gas Inventories	03/19	NA
25-Mar	Pending Home Sales	Feb	NA
25-Mar	Univ. of Michigan Consumer Sentiment - Final	Mar	NA
28-Mar	Adv. Intl. Trade in Goods	Feb	NA
28-Mar	Adv. Retail Inventories	Feb	NA
28-Mar	Adv. Wholesale Inventories	Feb	NA
29-Mar	FHFA Housing Price Index	Jan	NA
29-Mar	S&P Case-Shiller Home Price Index	Jan	NA
29-Mar	Consumer Confidence	Mar	NA
30-Mar	MBA Mortgage Applications Index	03/26	NA
30-Mar	ADP Employment Change	Mar	NA
30-Mar	GDP - Third Estimate	Q4	NA
30-Mar	GDP Deflator - Third Estimate	Q4	NA
30-Mar	EIA Crude Oil Inventories	03/19	NA
31-Mar	Continuing Claims	03/19	NA
31-Mar	Initial Claims	03/26	NA
31-Mar	PCE Prices	Feb	NA
31-Mar	PCE Prices - Core	Feb	NA
31-Mar	Personal Income	Feb	NA
31-Mar	Personal Spending	Feb	NA
31-Mar	Chicago PMI	Mar	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 2021. 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 (USD, 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.

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