MARKET COMMENTARY

DAVENPORT
BUILDING WEALTH TOGETHER
1863

OCTOBER 2023

- The best performing S&P 500® sector in September was Energy
- Consumer Confidence fell MOM
- Consumers increasingly pressured by rising energy and food costs

Equity investors were punished in September as all major indexes declined sharply. A more hawkish tone from the Federal Reserve added to uncertainty, while high-interest rates and stubborn inflation provided a challenging framework for equities. Against this backdrop, the VIX Index or "fear gauge" started September at a little over 13 and climbed through the month, ending at about 17 ½. For the full month, the Dow Jones Industrial Average decreased 3.5%, the S&P 500® index was down 4.9%, and the smaller cap-weighted Russell 2000® decreased 6.0%.

Ten of the eleven sectors of the S&P 500 declined during September. The best-performing sector for the month was Energy, which increased 2.5% and was followed by the Health Care sector, which was down 3.1%. The Real Estate sector posted the weakest performance in the month, which decreased by 7.8%, followed by the Information Technology sector, which was down 6.9%. For the prior twelve-month period, the Information Technology sector was the best performer with a 37.0% increase, followed by the Communication Services sector, which was up 34.9%, while the Utilities sector was the worst performer for the past twelve months with an 11.8% decrease followed by the Real Estate sector which was down 4.4%.

Just three hours before the feared government shutdown was to arrive, Congress passed a stop-gap funding bill on the evening of September 30. House Speaker McCarthy (R, CA) cut a deal with Democrats after weeks of negotiation with hard-line Republicans failed to deliver GOP-sponsored legislation from the chamber. The bipartisan bill funds the government for 45 days (to November 17) and includes natural disaster aid but no additional funding for Ukraine or border security. To the extent the threatened Federal government shutdown has created an overhang on markets, we anticipate easing of concerns will be a plus heading into October.

In September, the Commerce Department reported data showing Core Personal Consumption Expenditures had declined, while the Conference Board reported consumer confidence for September at 103.0, a drop from the upwardly revised August level of 108.7. Consumers appear to be increasingly pressured by rising energy and food costs, while higher interest rates hit home for those shopping for a new car or home. In addition, the Expectations index dropped, showing expectations declining with a reading of 73.7 (down 9.6 points in the last month). Note that a confidence reading below 80 has historically been a sign of potential economic recession, with consumers less confident about future business conditions, job availability, and incomes.

The United Auto Workers union (UAW) escalated their work stoppage, adding additional assembly plants to the ongoing strike. The latest moves bring the total number of striking UAW employees to about 25,000 as the union gradually ramps up pressure against the Big Three auto companies. The three auto manufacturers have offered a proposed 20% raise in compensation over the 4 ½ year term of the contract – seeking to manage the cost gap they face versus foreign automakers and with non-unionized U.S. producers - while also targeting flexibility on the use of workforce for EV production to gain efficiencies longer term. The UAW has rejected offers, demanding a 30% wage hike, including a 20% immediate increase; improved benefits; elimination of two-tier wage programs under which new hires earn far less than veterans; and a shortened, 32-hour work week. Given the selective nature of the work stoppage employed by the union, the economic impact to date has not been substantial to the U.S. economy but could increase in scope if walkouts expand to more production sites in the coming days.

Where to from here?

Although the near-term economic picture remains mixed and uncertain, we continue to anticipate that Corporate America emerges from its 2023 earnings recession later this year with an improving outlook into 2024. Although we sense uncertainty persists into early autumn, we anticipate the corporate earnings outlook trends positive into the 4Q2023 – a historically positive period for investors. Despite our view that existing consensus forecasts for S&P 500 earnings gains on the order of 11% into 2024 as being optimistic, given the market retrenchment experienced in September, we see interesting investment opportunities among select companies possessing pricing power, positioning them for sustained growth through 2024, while fixed income represents attractive 5% shorter-term returns. And, over the intermediate and longer term, our outlook is for a return to sustained moderate economic and corporate earnings growth, offering appreciation potential for patient investors.

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

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

Justin E. Corlett
(804) 780-2099
jcorlett@investdavenport.com

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

Davenport & Company LLC
Member: NYSE | FINRA | SIPC

MARKET AND ECONOMIC STATISTICS

Market Indices:	9/29/2023	12/30/2022	% Change YTD	8/31/2023	% Change (Monthly)
S&P Composite	4,288.05	3,839.50	11.68%	4,507.66	-4.87%
Dow Jones Industrials	33,507.50	33,147.25	1.09%	34,721.91	-3.50%
NASDAQ Composite	13,219.32	10,466.48	26.30%	14,034.97	-5.81%
Russell 2000	1,785.10	1,761.25	1.35%	1,899.68	-6.03%
FTSE 100	7,608.08	7,451.74	2.10%	7,439.13	2.27%
Shanghai Composite	3,110.48	3,089.26	0.69%	3,119.88	-0.30%
Nikkei Stock Average	31,857.62	26,094.50	22.09%	32,619.34	-2.34%
Stoxx Europe 600	450.22	424.89	5.96%	458.19	-1.74%
MSCI Emerging Markets	952.78	956.38	-0.38%	980.33	-2.81%
MSCI Emerging Markets Small Cap	1,259.05	1,127.18	11.70%	1,287.10	-2.18%

Performance of S&P 500 by Industry:	% of Index as of 12/30/22	1 Month	3 Month	Year to Date	12 Months
Consumer Discretionary	10.67%	-6.01%	-5.00%	25.71%	10.56%
Consumer Staples	6.57%	-4.79%	-6.61%	-6.64%	2.67%
Energy	4.72%	2.46%	11.33%	3.25%	24.50%
Financials	12.81%	-3.25%	-1.60%	-3.09%	8.27%
Health Care	13.36%	-3.10%	-3.06%	-5.32%	4.87%
Industrials	8.30%	-6.06%	-5.56%	3.15%	20.81%
Information Technology	27.46%	-6.91%	-5.84%	33.76%	36.98%
Materials	2.45%	-5.05%	-5.25%	1.02%	15.20%
Communication Services	8.87%	-3.27%	2.84%	39.43%	34.88%
Utilities	2.41%	-5.83%	-10.10%	-16.54%	-11.79%
Real Estate	2.37%	-7.82%	-9.65%	-7.98%	-4.43%
S&P 500 (Absolute performance)	100.00%	-4.87%	-3.65%	11.68%	17.79%

Interest Rates:	9/29/2023	12/30/2022	YTD Change (Basis Points)	8/31/2023	Month Change (BPS)
Fed Funds Effective Rate	5.33%	4.33%	100	5.33%	0
Prime Rate	8.50%	7.50%	100	8.50%	0
Three Month Treasury Bill	5.40%	4.40%	100	5.41%	-1
Ten Year Treasury	4.57%	3.87%	70	4.11%	46
Spread - 10 Year vs 3 Month	-0.83%	-0.52%	-31	-1.30%	47

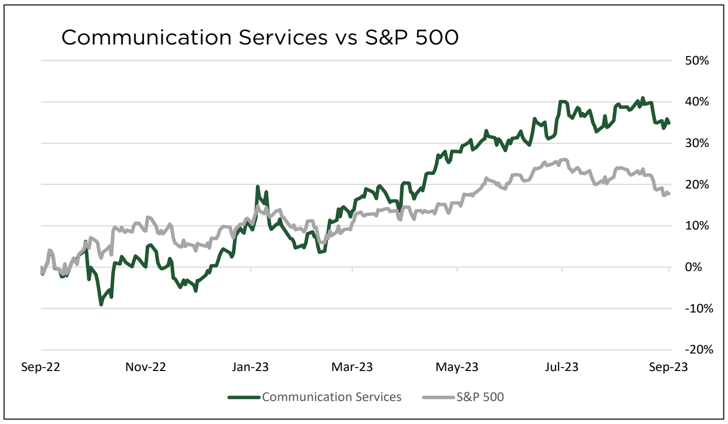
Foreign Currencies:	9/29/2023	12/30/2022	% Change YTD	8/31/2023	% Change (Monthly)
Brazil Real (in US dollars)	0.20	0.19	5.0%	0.20	-1.5%
British Pound (in US dollars)	1.22	1.21	1.0%	1.27	-3.7%
Canadian Dollar (in US dollars)	0.74	0.74	-0.2%	0.74	-0.5%
Chinese Yuan (per US dollar)	7.30	6.90	5.8%	7.26	0.5%
Euro (in US dollars)	1.06	1.07	-1.2%	1.08	-2.5%
Japanese Yen (per US dollar)	149.37	131.12	13.9%	145.54	2.6%

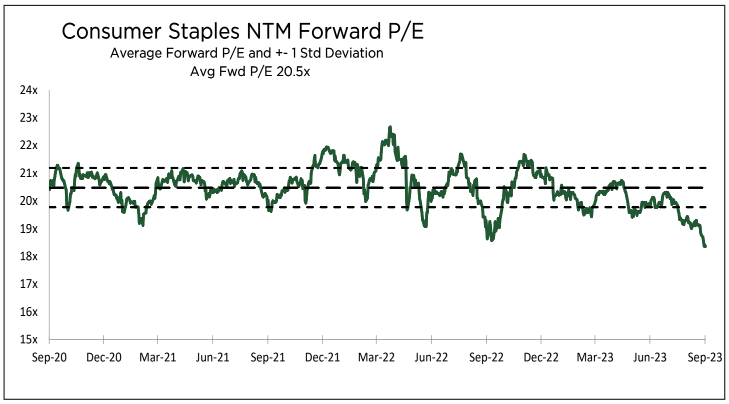
Commodity Prices:	9/29/2023	12/30/2022	% Change YTD	8/31/2023	% Change (Monthly)
CRB (Commodity) Index	548.56	554.78	-1.1%	552.84	-0.8%
Gold (Comex spot per troy oz.)	1848.63	1824.02	1.3%	1940.19	-4.7%
Oil (West Texas int. crude)	90.79	80.26	13.1%	83.63	8.6%
Aluminum (LME spot per metric ton)	2330.50	2349.51	-0.8%	2165.75	7.6%
Natural Gas (Futures 10,000 MMBtu)	2.93	4.48	-34.5%	2.77	5.8%

Economic Indicators:	8/31/2023	12/31/2021	% Change YTD	6/30/2023	% Change (Monthly)
Consumer Price Index	306.3	280.9	9.0%	303.8	0.80%
Producer Price Index	257.4	233.5	10.3%	251.21	2.48%
	Q2 2023	**Q1 2023**	**Q4 2022**	**Q3 2022**	**Q2 2022**
GDP Growth Rate (Quarterly)	2.10%	2.20%	2.60%	2.70%	-0.60%
Unemployment Rate (End of Month)	**August** **3.8%**	**July** **3.5%**	**June** **3.6%**	**May** **3.7%**	**April** **3.4%**

*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





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-3.27%	2.84%	39.43%	34.88%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	T-Mobile US Inc	2.8%
	Activision Blizzard Inc	1.8%
	AT&T Inc	1.6%
	Meta Platforms Inc	1.5%
	Charter Comm. Inc.	0.4%
Laggards	Warner Bros Discovery	-17.4%
	Match Group Inc	-16.4%
	Paramount Global	-14.5%
	Netflix Inc	-12.9%
	Interpublic Group of Cos Inc/T	-12.1%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$10.67	$12.50	$14.55
20.8x	17.8x	15.3x

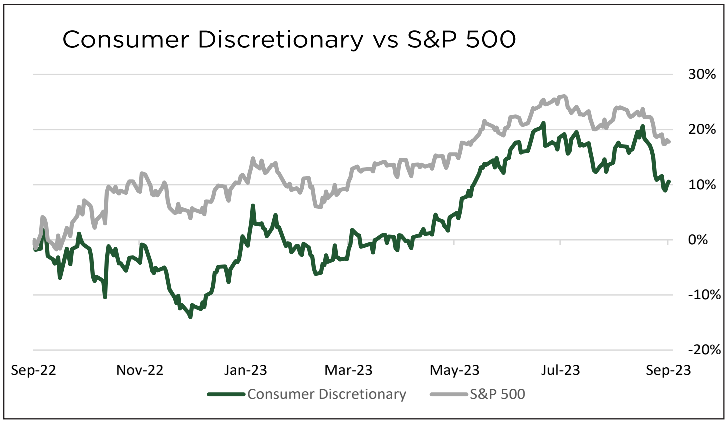
Sector Update

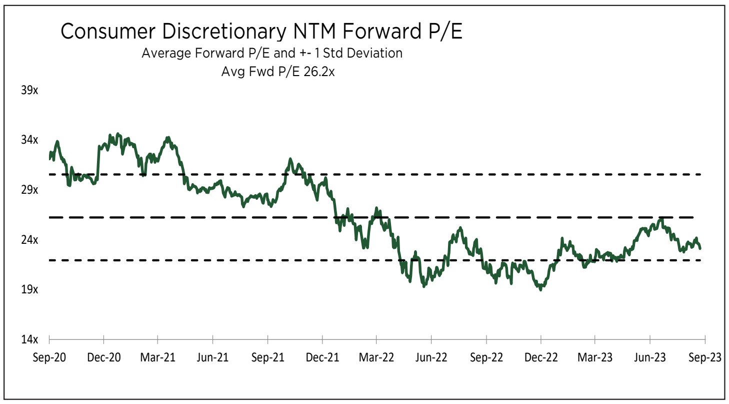
Communications Services outperformed the market in September as the rise in Meta Platforms shares mitigated the decline in the Interactive Media & Services sector (-2.3%). The Communications Services sector appears close to fairly valued with a P/E of 17.8x and 15.3x the Bloomberg consensus analyst FY23/24 adjusted EPS estimates, with its forward P/E in line with its earnings growth rate.

The Entertainment sub-sector (-6.7%) lagged the market in September due to the decline in the shares of Warner Brothers Discovery, Paramount Global, and Netflix. The Hollywood actor's strike could impact entertainment companies' content production and delay their release of new content. Entertainment companies could find it more challenging to attract new subscribers to their direct-to-consumer (DTC) streaming media platforms and increase their prices if they have a dearth of new content.

The providers of DTC streaming content services committed to becoming profitable over the next few years by reducing their content production costs. However, the potential resolution of the Hollywood Actor's strike could boost content production costs and make this goal more challenging.

Over the past six months, the management of leading DTC streaming content services companies predicted that they could generate a material level of advertising revenue over the next few years from their lower-priced, ad-supported services. The companies reported that they generated higher monthly revenue per user from their lower-priced, ad-supported service than they did from their higher-priced, ad-free service. During a recent investment research conference, the management of a leading DTC streaming content services company reported that their advertising business remained in the early stages of development.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-6.01%	-5.00%	25.71%	10.56%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Airbnb Inc	4.3%
	Ford Motor Co	2.4%
	Hilton Worldwide	1.0%
	AutoZone Inc	0.3%
	Ralph Lauren Corp	-0.5%
Laggards	Las Vegas Sands Corp	-16.4%
	MGM Resorts	-16.4%
	Caesars Entertainment	-16.1%
	Mohawk Industries Inc	-15.4%
	Tapestry Inc	-13.7%

Consensus FY EPS / P/E

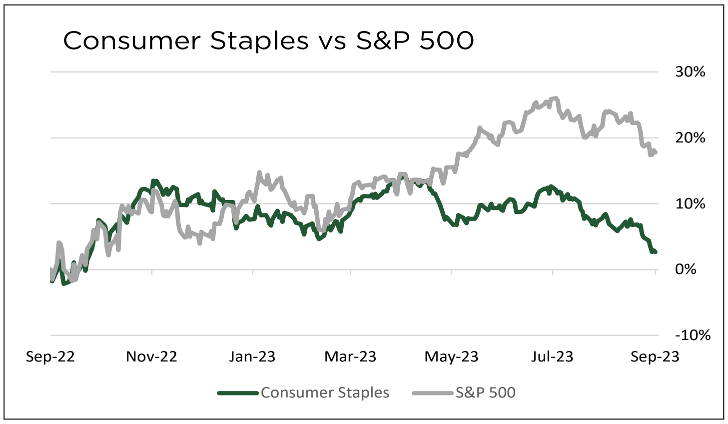
Last Year	Current Year	Next Year
$43.90	$51.77	$59.23
28.8x	24.4x	21.3x

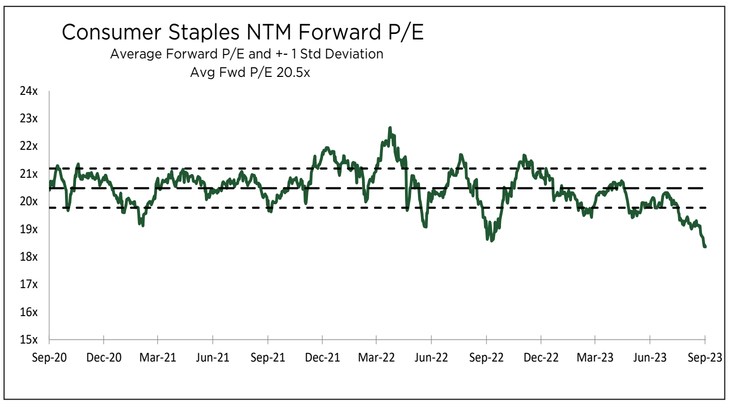
Sector Update

The Consumer Discretionary sector declined in September against a macro backdrop pressured by high-interest rates and sticky inflation. All Consumer Discretionary sub-sectors dropped in the month, with relatively stronger results in Auto Components and Automobiles. Consumer Discretionary sub-sectors that were softest included Leisure Products, Multiline Retail, and Household Durables. Although outperforming the S&P 500 year-to-date, the sector has underperformed on a one-month, three-month, and trailing twelve-month basis, as seen in the accompanying chart.

Retail sales continued to march higher, with reports for August indicating it was the fifth month in a row where sales improved. Retail sales increased 0.6% in the month, which benefited from higher gasoline prices, with gas station sales up 5.2%. This helped to offset a slowdown in sales at internet retailers, which came in relatively flat after gaining 1.5%, supported by Amazon's Prime Day event. Another strong category for the monthly sales report was Automobile sales, which increased 0.3%. We note that core retail sales, which excludes both gasoline and auto sales, increased a relatively modest 0.2%. Higher interest rates and inflation continue to weigh on consumers, although unemployment levels continue to be low, providing some support for what has been a strong period of consistent retail sales growth through the summer. We note rising concerns that the retail sales momentum could suffer as the combination of declining savings and the resumption of payments on student loans could represent near-term headwinds.

According to the National Association of Realtors, existing home sales in August dropped to the lowest point since January. After declining by 0.7% in the month, the annualized rate of existing home sales fell to 4.04 million in August. Home sales continue to feel the effect of a limited supply of homes for sale (down 14.1% versus the prior year) and a difficult mortgage rate environment. On a year-over-year basis, existing home sales declined 15.3% in August and were down 21.0% for the year-to-date period. Influenced by low supplies, the median price for an existing home was $407,100, up 3.9% year-over-year, with about 31% of homes selling above the listing price.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-4.79%	-6.61%	-6.64%	2.67%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	WK Kellogg Co	6.8%
	Costco Wholesale Corp	2.9%
	Kraft Heinz Co/The	1.7%
	Molson Coors Beverage	0.2%
	Hormel Foods Corp	-1.5%
Laggards	Dollar General Corp	-23.6%
	Clorox Co/The	-16.2%
	J M Smucker Co/The	-15.2%
	Dollar Tree Inc	-13.0%
	Kenvue Inc	-12.9%

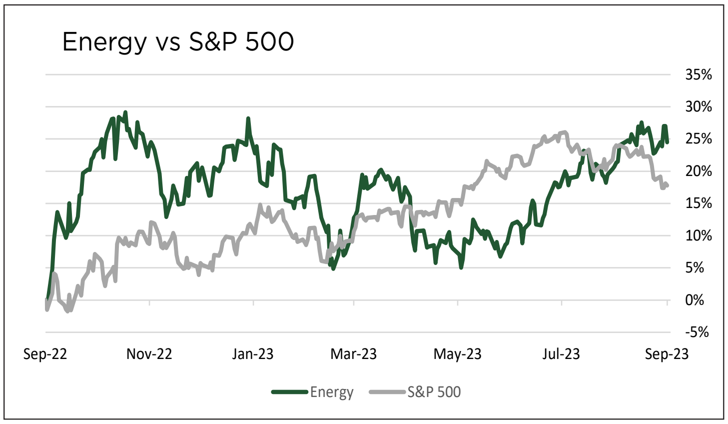
Consensus FY EPS / P/E

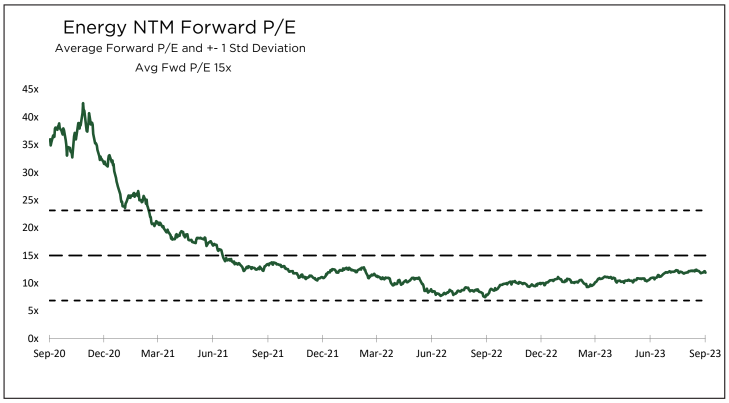
Last Year	Current Year	Next Year
$36.17	$37.94	$40.84
20.1x	19.2x	17.8x

Sector Update

The Consumer Staples sector decreased by 4.79% on average in September and surprisingly slightly outperformed the S&P 500 Index, which fell by 4.87%. All segments reported weaker results in the month, reflecting investor rotation away from the segment. The macro-dynamics and changing consumer behavior negatively impact the industry, resulting in elongating volume recovery. Rotation out of stocks in the Packaged Food segment continues, led by concerns about sequentially moderating volumes, a potential slowdown in the top line, and the risk of increased promotions and margin pressure. The packaged food group is trading with a low-to-mid teens P/E multiple or at a discount to its historical average, presenting attractive valuations for more quality names. The Personal Products segment was the weakest during the month as a larger company faced a security data breach that has greatly impacted production, availability of products at retailers, and its financial outlook. The heightened uncertainty of a security data breach remains a growing concern across companies. Year-to-date, the Consumer Staples sector decreased by 6.64% on average and has well underperformed the S&P 500 Index, which increased by 11.68%. The Consumer Staples segment trades with a current forward P/E of about 19.2x, below its average forward P/E of about 20.5x. More attractive valuations for high-quality Consumer Staples Companies should begin to attract investor attention. Many of the stocks also offer an attractive dividend yield.

Sales are diverging in the US among the packaged food companies year-to-date, with the slowest trends among products sold in the center of the store. Promotion activity is increasing but still remains below the 2019 level. Gross margin continues to improve with the company's mixed pace of recovery. Food volume is expected to be relatively flat vs. a mid-to-high single-digit rate of decline exiting FY23 as consumers adjust to the higher prices. Companies will begin to lap price increases taken in 2H of FY22 to offset the input cost inflation. Margins should continue to recover as long as the promotional environment remains rational. For FY24, expectations are for a more balanced price and volume dynamic. As measured by the NPD Group, at-home consumption remains 2pp higher at 84% vs. the pre-Covid level. Private label share of food volume is increasing, reflecting increased customer demand, additional shelf space, and the benefit of a recovering supply chain. With companies continuing to deleverage their balance sheets, the theme of potential mergers and acquisitions continues, as highlighted by several recently announced transactions. Companies seek to drive top-line growth by adding faster brands to portfolios. We continue to advise a selective investment among the Consumer Staples stocks and prefer an investment in companies with pricing, leading market share, strong balance sheets, and experienced management. Companies exposed to growth segments, including confectionery, snacks, beverages, and pet food, remain attractive investments.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.46%	11.33%	3.25%	24.50%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Valero Energy Corp	9.1%
	Marathon Petroleum	6.0%
	Exxon Mobil Corp	5.7%
	Phillips 66	5.2%
	Halliburton Co	4.9%
Laggards	Devon Energy Corp	-6.6%
	APA Corp	-6.3%
	EQT Corp	-6.1%
	Coterra Energy Inc	-4.0%
	Kinder Morgan Inc	-3.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$69.95	$58.78	$60.31
9.9x	11.8x	11.5x

Sector Update

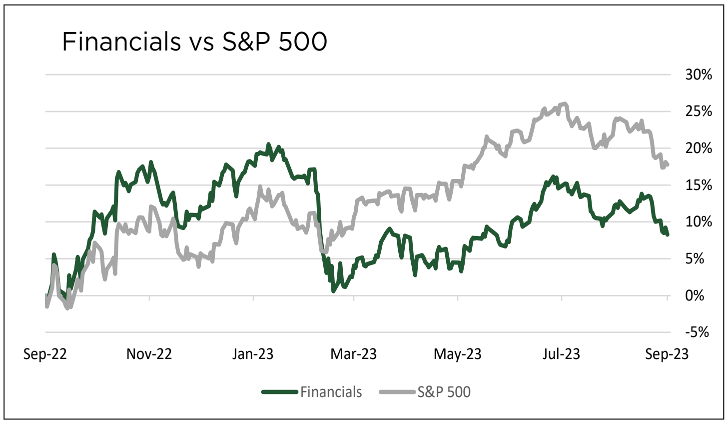
The Energy sector significantly outperformed in September, supported by the effects of rising oil prices during the month. Although high-interest rates and sticky inflation remain a concern, the growth in the sector came despite these factors raising the potential for associated negative demand impacts. Energy sector equities outperformed the broader market in September, which follows the relatively strong performance posted by the group in August. The Oil, Gas & Consumable Fuels subsector led index subsector categories for the month, followed by the Energy Equipment and Services sub-sector. Although the Energy sector outperformed for the one-month and three-month periods, the sector has lagged significantly behind the S&P 500 for the year-to-date period, as seen in the accompanying table.

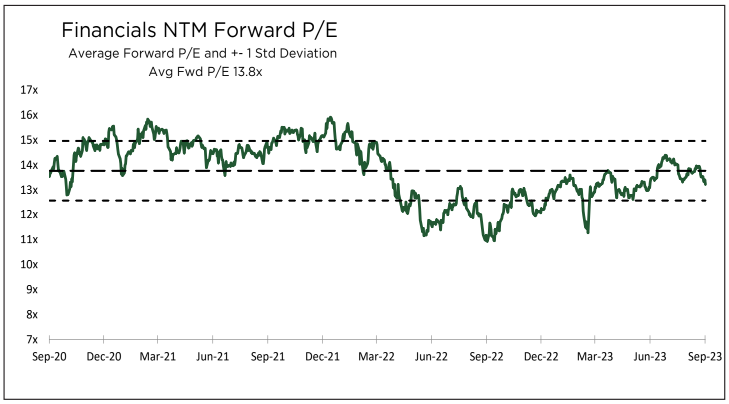
Suggesting the world is approaching a historic turning point, the head of the International Energy Agency (IEA) indicated demand for fossil fuels should peak by 2030. By that date, the IEA sees renewable energy sources as crowding out demand for oil, coal, and natural gas rather than due to any shortage of fossil fuels.

In mid-September, OPEC updated its forecast for global oil supply and demand in 2023 and 2024. OPEC raised its outlook for 2023 supply by 100,000 barrels to 1.6 million per day. In 2023, the cartel expects total demand to average 104 million barrels per day with a supply of just 74 million barrels per day, suggesting a 30 million barrels per day shortfall. We note that the OPEC outlook for undersupply would appear to be counter to Saudi Arabia's plans to maintain reduced oil output levels through at least the end of the year. Although weak economic growth in China, the war in Ukraine, and rising sovereign debt levels were cited as concerns, OPEC made no change to its global economic growth forecast of 2.7% in 2023 and 2.6% in 2024.

West Texas Intermediate (WTI) crude oil prices increased, with WTI trading from around the $85 per barrel range to ending the month under $91 per barrel. Natural gas prices increased from about $2.77 per million Btu to end the month at about $2.93 per million Btu. Retail gasoline prices climbed in September, moving to $3.91 per gallon at the end of the month from the $3.93 average price seen at the prior month's end and down from the prior year's level of $3.96.

The Baker Hughes oil rig count was down in the month, coming in at 502 rigs versus 512 rigs last month. The oil rig count at month-end was down versus the prior year's level of 604 rigs, which differs from the trend we have seen of growth in rig counts over the past year. U.S. crude oil storage at 416 million barrels was down from last month's level of 423 million barrels. We note that storage levels have generally been declining off the 2020 pandemic highs and are currently below the previous year's 429 million barrels. Following the downturn seen during the height of the pandemic in 2020, U.S. crude oil production has been in an uptrend, which continued during 2022. The trough daily production seen in 2020 was in the 9.7 million barrels per day range and has now rebounded to about 12.9 million barrels per day at the end of the month.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-3.25%	-1.60%	-3.09%	8.27%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Progressive Corp/The	4.4%
	Cboe Global Markets Inc	4.3%
	Arch Capital Group Ltd	3.7%
	Chubb Ltd	3.6%
	American International	3.6%
Laggards	Comerica Inc	-13.6%
	MarketAxess Holdings	-11.3%
	US Bancorp	-9.5%
	Global Payments Inc	-8.9%
	Invesco Ltd	-8.8%

Consensus FY EPS / P/E

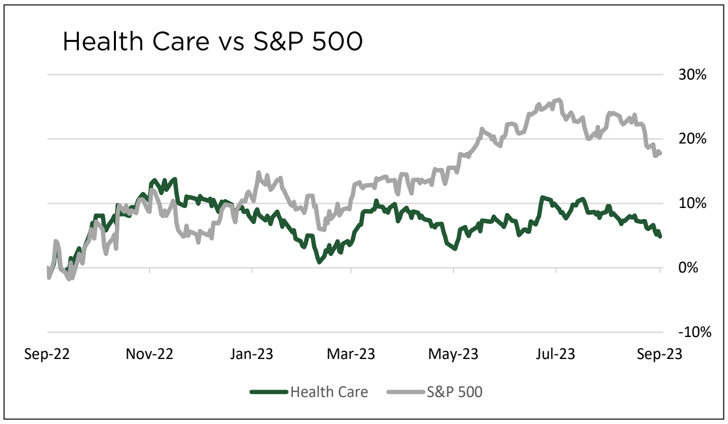
Last Year	Current Year	Next Year
$36.24	$40.32	$43.63
15.2x	13.7x	12.7x

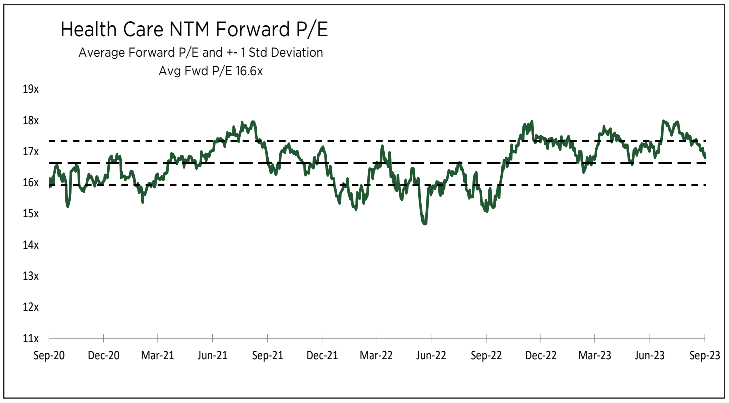
Sector Update

The Financials sector retrenched 3.25% in September but outperformed the 4.87% decline in the S&P 500® index in the same period. Financial sector performance on a YTD and TTM basis remains well below index levels, reflecting turbulence in the banking sector earlier this year in addition to the outperformance of a small group of mega-cap tech stocks in 2023.

Financials, and particularly lenders, remain challenged by the current macro environment. Recently, concerns have emerged around consumer credit performance against continued elevated price levels and reduced savings as the end of pandemic support programs, notably student loan forbearance, have ended. While coming off a historically low base, Goldman Sachs recently noted that consumer loss rates have increased at the highest level since the Great Financial Crisis in the past twelve months. Although loss and delinquency trends remain in line with pre-pandemic norms, it appears likely that loss trends may continue to weaken against a higher interest rate regime with incremental drag on consumer wallets from student loan payments resuming and consistently elevated price levels despite recent disinflation trends. Against this backdrop, it is unsurprising to see the Consumer Finance subsector as the weakest-performing Financials group in September, down 5.2% in the month. Insurers were the top performing sub-sector in September, up 0.6%, as they continue to benefit from a higher rate environment, with interest income streams showing material improvement from prior year levels. In the meantime, hard market pricing conditions remain as insurers take price against inflationary trends, partially offset by increasing loss severity and frequency as highlighted by recent catastrophe events in the United States. Ongoing underwriting loss challenges appear likely to extend the current hard market as inflationary trends subside in the wake of the current restrictive monetary policy.

The Financial Sector currently trades at a forward P/E ratio of 13.7x, approximately in line with its three-year average. Valuations in the financial sector, particularly among banks, appear reasonable following recent weakness; however, the path forward remains challenging near-term on reduced earnings forecasts and abundant recessionary/liquidity concerns. Given ongoing deposit re-price challenges spurring weaker net interest margin trends, it may require a pause or pivot in FOMC rate policy to inspire better performance among lenders.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-3.10%	-3.06%	-5.32%	4.87%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Centene Corp	11.7%
	CVS Health Corp	7.1%
	UnitedHealth Group Inc	5.8%
	Molina Healthcare Inc	5.7%
	McKesson Corp	5.5%
Laggards	Organon & Co	-20.9%
	Align Technology Inc	-17.5%
	Illumina Inc	-16.9%
	Insulet Corp	-16.8%
	IDEXX Laboratories Inc	-14.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$70.12	$82.27	$93.06
21.4x	18.2x	16.1x

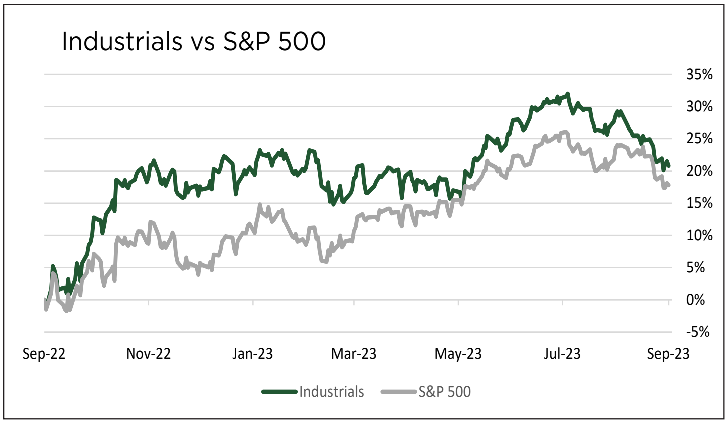
Sector Update

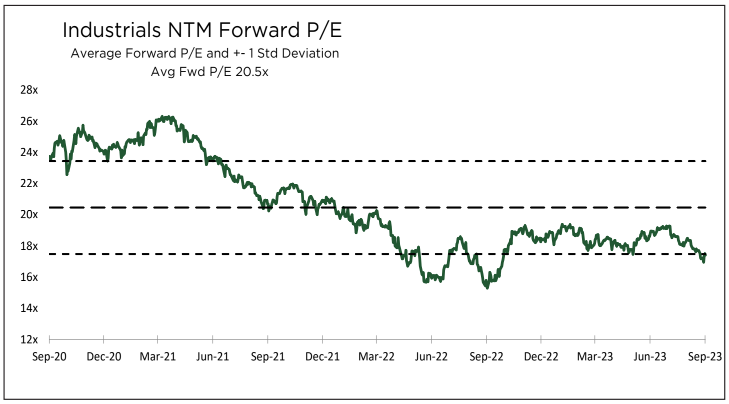
The defensive-natured healthcare sector outperformed the market in September with a 3.10% loss, representing the second-best-performing S&P 500 sector. Given the noncyclical nature of the healthcare sector, outperformance in the sector can likely be attributed to the uncertain macroeconomic environment that persisted throughout September.

As illustrated in the adjacent tables, Centene Corp, CVS Health Crop, UnitedHealth Group, Molina Healthcare, and McKesson Corp led the healthcare sector in the month. Managed care stock Centene shares were up 11.7% in September, recapturing losses that the firm saw in the prior month related to the redetermination of Medicaid. Other companies with managed care offerings, including UnitedHealth Group and CVS Health, also registered positive stock performance in September, with CVS Health shares increasing 7.1% and UnitedHealth Group shares rising 5.8%. Despite regulatory headwinds and an elevated medical spending environment, investors appeared encouraged by the strategy outlined by UnitedHealth Group during their investor conference. Meanwhile, CVS Health shares increased in September after the firm announced the launch of Cordavis, a subsidiary of CVS Health that works directly with manufacturers to bring biosimilar products to the U.S. market.

On the contrary, Organon & Co, Align Technology, Illumina, Insulet Corp, and IDEXX Laboratories each registered double-digit losses in September. Organon shares declined 20.9% in September after analysts noted that the women's health firm's bonds appear to be on the cusp of a downgrade. Align Technology fell 17.5% in September as investors appeared to be concerned that an economic slowdown would impact sales in its cyclical clear aligner business. Despite announcing a new CEO, ILMN shares declined 16.9% in the month as uncertainty over biotech activity in China persisted. Insulet shares declined 16.8% in September as investors appear to fear that the addressable market for insulin pumps may shrink as weight loss drugs gain prominence.

INDUSTRIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-6.06%	-5.56%	3.15%	20.81%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	PACCAR Inc	3.3%
	CSX Corp	1.8%
	Northrop Grumman	1.6%
	FedEx Corp	1.5%
	Jacobs Solutions Inc	1.2%
Laggards	RTX Corp	-16.4%
	United Airlines Holdings	-15.1%
	Boeing Co/The	-14.4%
	Southwest Airlines Co	-14.3%
	Delta Air Lines Inc	-13.7%

Consensus FY EPS / P/E

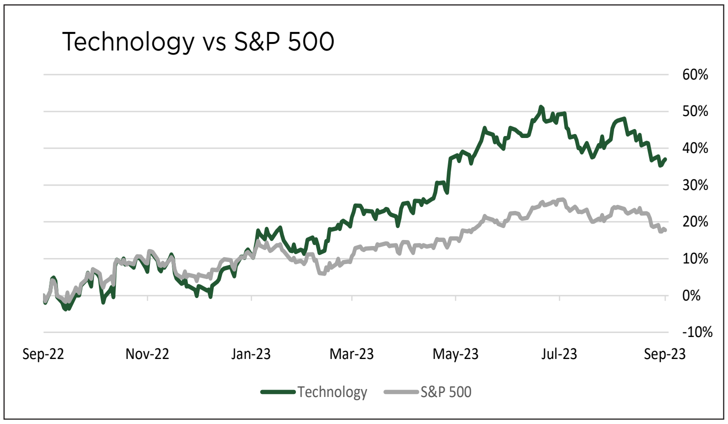
Last Year	Current Year	Next Year
$42.56	$45.50	$51.52
20.1x	18.8x	16.6x

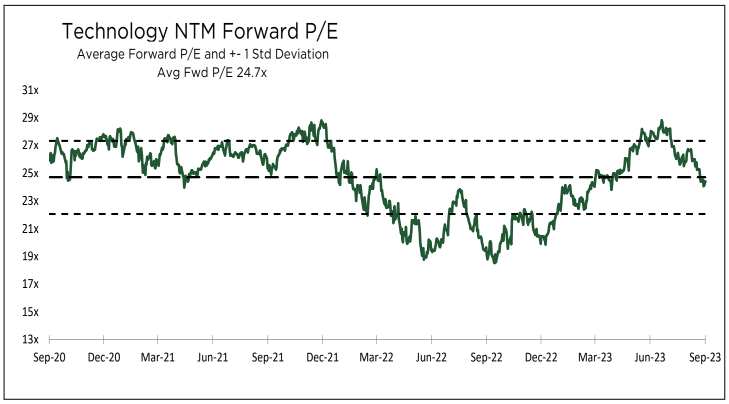
Sector Update

The Industrial sector decreased 6.06% in September, underperforming the 4.87% decrease in the S&P 500. The Industrial sector has also lagged behind the S&P 500 on a three-month basis and Year-to-Date basis, but the sector has outperformed the S&P 500 on a trailing twelve-month basis. All twelve subsectors within the Industrial sector declined during September, with the most substantial decline being Airline's 13.9% drop. Higher interest rates and the potential for a slowing economy appear to be eating into demand for Airline stocks, while higher fuel prices and new labor contracts appear to be pressuring margins. The second worst-performing subsector in September was Construction and Engineering, with a 10.9% decline, tracking the performance of its sole member, Quanta Services. As economic uncertainty increased throughout September, investors appear wary that construction activity may slow.

The best-performing equity in the Industrial Sector was truck manufacturer PACCAR, with a 3.3% gain. While the economy may present a tougher operating environment in the intermediate term, analysts have noted that Truck OEMs may have enough pent-up demand to support their businesses in the near term. The second best-performing equity in the Industrial sector was railroad company CSX Corp, with a 1.8% gain, despite the Road & Rail subsector declining 4.3%. Three of the five laggards in September include United Airlines, Southwest Airlines, and Delta Airlines, each member of the airline subsector. While these airline stocks face the potential for slowing demand and rising costs, Southwest Airlines also lowered its revenue guidance in September. This appeared to signal a sell-off throughout the airline subsector, impacting more than just Southwest. A rebound in travel helped lift these Airlines stocks off of their pandemic lows, although an increasingly uncertain economic outlook appears to have stunted growth.

The September Manufacturing PMI registered a reading of 49%, 1.4% higher than the 47.6% recorded in August, representing the 11th consecutive month of contraction after 30 months of expansion. The New Orders Index remained in contraction territory at 49.2%, 2.4% higher than the August figure of 46.8%. The Production Index reading of 52.5% represents a 2.5% increase compared to August's figure of 50%. The Industrial Sector is trading at a Forward P/E of 18.8x, down from last month's reading of 19.9x and below the sector's three-year average of about 20.5x.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-6.91%	-5.84%	33.76%	36.98%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Hewlett Packard	2.2%
	Western Digital Corp	1.4%
	Akamai Technologies	1.4%
	Intel Corp	1.2%
	DXC Technology Co	0.4%
Laggards	SolarEdge Technologies	-20.3%
	First Solar Inc	-14.6%
	Zebra Technologies	-14.0%
	HP Inc	-13.5%
	Gen Digital Inc	-12.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$89.02	$111.77	$133.48
32.6x	26.0x	21.8x

Sector Update

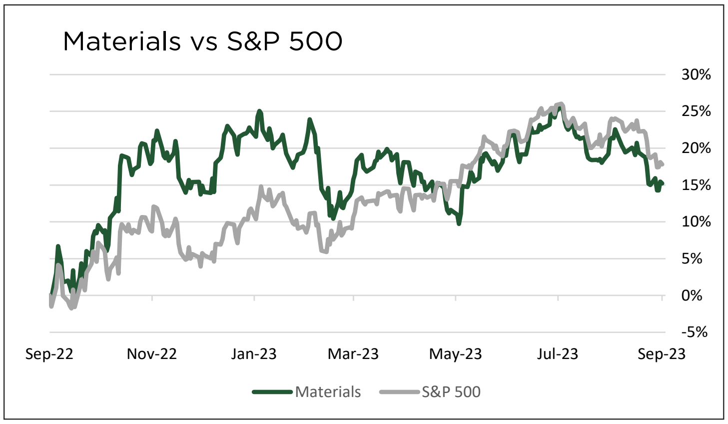
Given the more challenging global macroeconomic environment, semiconductor companies reported weaker demand in most end markets, except generative AI. According to Accenture, corporations plan to reduce their discretionary IT spending in response to the weak global economy. The Technology sector (-6.91%) underperformed the market in September due to weaker end-market demand and the contraction in its valuation following the recent Federal Reserve meeting.

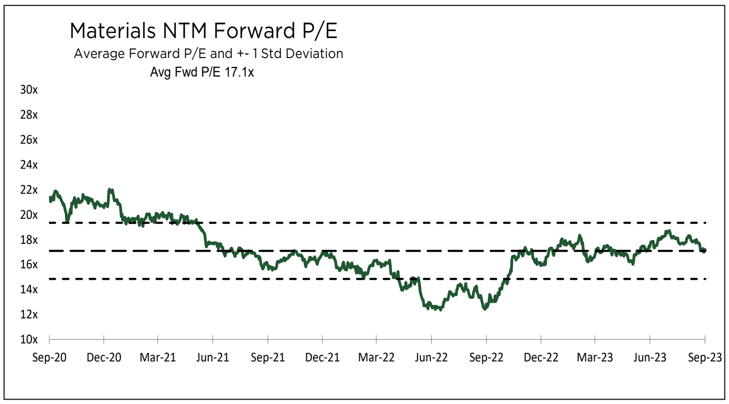
The Technology sector appears close to fairly valued, with a P/E of 26x and 21.8x the Bloomberg consensus analyst FY23/24 adjusted EPS estimates, with its forward P/E slightly above its earnings growth rate.

At its September Federal Open Market Committee meeting, investors were surprised that the U.S. Federal Reserve embraced a more hawkish interest rate policy. While the Federal Reserve did not raise interest rates, it predicted an additional rate hike by year-end and two rate cuts next year (based on its dot plot), compared to its June guidance for four rate cuts next year.

Semiconductors & Semiconductor Capital Equipment (-8.6%) underperformed the market in September due to semiconductor companies reporting a widening downturn to include most end markets. The largest contract manufacturer, Taiwan Semiconductor, recently lowered its capital equipment forecast due to lower demand. In addition, Broadcom forecasted reduced enterprise demand for its storage solutions and lower telecommunications carrier demand for its broadband solutions.

Over the past few years, U.S. government restrictions on the export of advanced equipment and semiconductors to Chinese semiconductor manufacturers and Huawei contributed to the implosion of Huawei's smartphone business. This situation enabled U.S. semiconductor companies and smartphone manufacturers to gain market share. However, these market share gains may unravel since Huawei recently launched a 5G smartphone in China. In addition, Huawei may begin relying on its own internally developed processor instead of one supplied by a leading U.S. semiconductor manufacturer.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.05%	-5.25%	1.02%	15.20%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	CF Industries Holdings	11.2%
	Westrock Co	9.4%
	Packaging Corp of	3.0%
	International Paper Co	1.6%
	Corteva Inc	1.3%
Laggards	FMC Corp	-22.3%
	Albemarle Corp	-14.4%
	Sealed Air Corp	-11.3%
	Eastman Chemical Co	-9.8%
	Nucor Corp	-9.2%

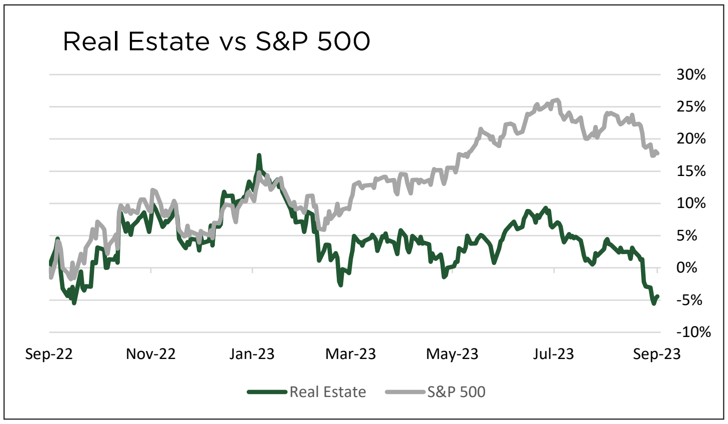
Consensus FY EPS / P/E

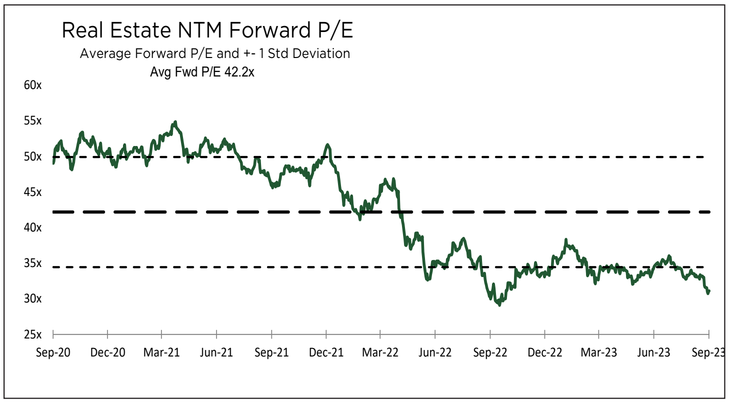
Last Year	Current Year	Next Year
$29.12	$27.93	$29.81
17.0x	17.7x	16.6x

Sector Update

The Materials segment decreased by 5.05% in September and underperformed the S&P 500 Index, which fell by 4.87%. YTD, the Materials segment increased by 1.02% and well underperformed the S&P 500 Index, which increased by 11.68%. All segments reported monthly declines, with the most significant decreases reported by Construction Materials and Metals and Mining. The Materials segment now trades with a current forward P/E of 17.7x and ahead of its average forward P/E of about 17.1x. The focus remains on the domestic housing sector as interest rates remain a key headwind. The housing segment continues to face the overhang of rapidly rising mortgage rates, with 30-year mortgages now around 8%. The outlook for the home improvement market is moderating for about a 1% market sales growth for 1H 2024. A key positive is that home prices remain elevated largely due to tight supply despite softening new home sales. For August, new home sales, as the US Census Bureau measured, declined 8.7% from July, which was weaker than the consensus forecast. Consumer confidence continues to moderate, given the pressures of higher food and energy prices, interest rates, and an uncertain political environment. Expect headwinds heading into 2024, including a weakening consumer that faces depleted savings, deteriorating credit and increased layoffs, worsening affordability, and tight housing availability. Key drivers include the outlook for the macroeconomic environment and the potential for a recession, realized pricing, consumer demand, volume, and inventory levels.

In a more cyclical sector, the chemical segment seeks a reason to trade higher, but uncertainty persists for construction, agriculture, and personal care (i.e., perfume and makeup). Retailer destocking, uncertain travel and leisure, and weaker-than-expected recovery in China present additional concerns. In addition, higher interest rates remain a key overhang. Companies remain focused on managing inventory, working capital needs, and generating cash flow in a higher-rate environment. Inventories for some products are likely at low levels, so a recovery in demand could positively drive earnings rapidly higher. Lithium supply and demand remain tight, but recent softness in lithium prices in China is weighing on the stocks. The group seems to want to move higher, especially if the investor sentiment and the market appear to be reaching a trough level. Selective investment among the group remains a key factor, with a preference for strong management teams and high-quality businesses. Preferred areas for potential investment include hydrocarbon, coatings, and lithium.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-7.82%	-9.65%	-7.98%	-4.43%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Host Hotels & Resorts	1.8%
	Welltower Inc	-1.2%
	Ventas Inc	-3.5%
	Regency Centers Corp	-4.4%
	Public Storage	-4.7%
Laggards	Alexandria Real Estate	-14.0%
	CBRE Group Inc	-13.2%
	Camden Property Trust	-12.1%
	Mid-America Apartment	-11.4%
	Essex Property Trust Inc	-11.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$6.27	$6.54	$6.94
34.1x	32.7x	30.8x

Sector Update

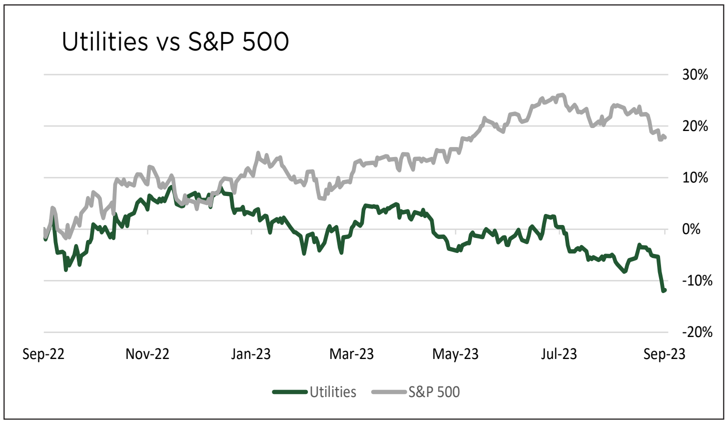
September was a challenging month for equity investors following a 'hawkish pause' by the FOMC, with governors' outlook pointing to the potential for a further fed funds rate hike in the 4Q2023 followed by a policy of sustained rates for longer. With investors having the opportunity to gain 5% returns from short-term fixed income, a shift away from risk assets weighed on equities, with the S&P 500 declining by 4.87% on the month – eroding year-to-date gains to 11.68%. As outlined in the adjacent tables, the Real Estate sector was the worst-performing group in the S&P 500 in September, recording a decline of 7.82%, with only the Utility sector underperforming to a greater degree on a year-to-date and trailing 12-month basis. Obviously, the fast-paced rise of interest rates remains the culprit influencing bond proxy equities, including REITs and Utilities – with the 10-year Benchmark Treasury yield rising a remarkable 78 BPS in the last quarter - from 3.81% on June 30 to 4.59% at September month end. We sense that the rise in rates will continue to weigh on most segments of the real estate sector into 2024 as property buyers do not want to incur negative leverage on acquisitions, while the availability of financing for some is becoming more challenging with cap rates rising 100 – 200 BPS.

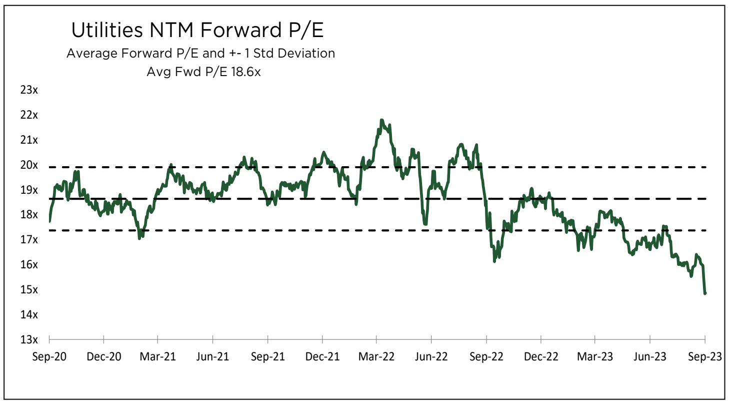
Leading investment banks sponsored real estate symposiums in September with broad-based participation across the spectrum of sector players. Sifting through the commentary from company CEOs, we find the following: Office space leasing has yet to turn up but appears to be firming in key markets; Retail strip centers remain healthy with new supply limited and occupancy rates strong (despite the slowing economy), offering pricing power; Industrial sector demand is holding up nicely with an encouraging outlook into 2024 supported by data center demand; Health care is seeing a rebound in demand for senior living properties, while new construction is the slowest in over a decade; and, the Apartment sector has a cautious outlook with rental rates softening and fears of recession becoming a factor.

Given a mixed message, rising interest rates, and declines for equities, in general, it is not surprising to see that just Host Hotels showing any appreciation last month after management provided details on business interruptions in Florida and Maui tied to Hurricane Ian and wildfires. Although no update to the FFO guide has been offered, investors were encouraged that hotels received no fire damage, while the board raised the quarterly dividend by 20% to $0.18. Positive commentary offered by Health Care REITs Welltower and Ventas at symposiums limited selling pressure, while Regency's 2Q2023 results were the strongest in the REIT's 60-year history.

With economists and the FOMC forecasting a weakening U.S. economy and possible recession on the horizon, along with interest rates potentially moving higher for longer, challenges will likely persist for the Real Estate sector into 1H2024. Thus, selectivity remains a key factor for those sifting through the Real Estate sector, requiring patience and an intermediate-term investment time horizon with interest rates expected to peak and the economy anticipated to improve into 2H2024.

UTILITIES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.83%	-10.10%	-16.54%	-11.79%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-4.87%	-3.65%	11.68%	17.79%

	Company Performance	1 Month
Leaders	Constellation Energy	4.7%
	NRG Energy Inc	2.6%
	Xcel Energy Inc	0.2%
	Duke Energy Corp	-0.6%
	PG&E Corp	-1.0%
Laggards	AES Corp/The	-15.2%
	NextEra Energy Inc	-14.2%
	American Water Works	-10.7%
	Eversource Energy	-8.9%
	Atmos Energy Corp	-8.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$17.00	$18.66	$20.35
17.6x	16.0x	14.7x

Sector Update

The utilities sector remained challenged in September, lagging the S&P 500® on a 5.83% decline, falling behind the 4.87% pullback in the broader market index. The Utilities group continues to be the worst-performing sector in the S&P over the past three and twelve-month periods, as well as on a year-to-date basis, continuing a stretch of relative weakness against an elevated interest rate backdrop. It remains the case that alternative interest-bearing investments in the bond market provide reasonable alternatives to 'bond proxy' equities compared to the past ~15 years, applying pressure to Utility performance throughout the ongoing monetary tightening cycle only recently exacerbated by a back-up in long-end rates.

As discussed in prior writing, these large debt issuers are beginning to feel the knock-on effects of higher interest rates. Recently, NextEra Energy's (NEE) drop-down yieldco NextEra Partners (NEP) announced a reduced EBITDA and distribution growth outlook, with distribution growth guidance cut by ~50% resulting from challenged capital markets activity and higher rates. The announcement precipitated weak performance in NEP and NEE shares, with NEE being the second worst performer among the Utilities sector in September.

While many Utilities are not reliant on asset drop-downs as financing vehicles, investors appear focused on increased borrowing costs for Utilities as they are among the largest debt issuers in the broader market, given regulatory constraints cap equity investment in capital projects. Of course, with regulated equity caps and large-scale multi-year capex cycles around renewable generation and grid modernization in place, Utilities are likely to face interest cost headwinds persisting in a 'higher for longer environment.'

Despite near-term volatility tied to interest rate dynamics, Utilities appear well-positioned for above-trend earnings growth on a multi-year basis, given significant visibility into long-term capex cycles around transmission and distribution modernization in addition to renewable energy projects supported by regulators.

The Utilities sector appears attractively valued relative to its historical trend as the group trades at two standard deviations below its three-year average forward earnings multiple of 18.6x. Elevated interest rates have the potential to remain a near-term overhang on the sector; however, a peak in interest rates or relative weakening in broader market earnings trends could be drivers of multiple expansion and stronger performance in the sector into 2024.

ECONOMIC CALENDAR

Date	Release	For	Prior
2-Oct	S&P Global US Manufacturing PMI - Final	Sep	47.9
2-Oct	ISM Manufacturing Index	Sep	47.6%
2-Oct	Construction Spending	Aug	0.9%
3-Oct	JOLTS - Job Openings	Aug	8.920M
4-Oct	MBA Mortgage Applications Index	9/30	-1.3%
4-Oct	ADP Employment Change	Sep	180K
4-Oct	S&P Global US Services PMI - Final	Sep	50.5
4-Oct	Factory Orders	Aug	-2.1%
4-Oct	ISM Non-Manufacturing Index	Sep	54.5%
4-Oct	EIA Crude Oil Inventories	9/30	-2.17M
5-Oct	Initial Claims	9/30	250K
5-Oct	Continuing Claims	9/23	1665K
5-Oct	Trade Balance	Aug	-$64.7B
5-Oct	EIA Natural Gas Inventories	9/30	+90 bcf
6-Oct	Nonfarm Payrolls	Sep	187K
6-Oct	Nonfarm Private Payrolls	Sep	179K
6-Oct	Avg. Hourly Earnings	Sep	0.2%
6-Oct	Unemployment Rate	Sep	3.8%
6-Oct	Average Workweek	Sep	34.4
6-Oct	Consumer Credit	Aug	$10.4B
10-Oct	Wholesale Inventories	Aug	-0.2%
11-Oct	MBA Mortgage Applications Index	10/7	-6.0%
11-Oct	PPI	Sep	0.7%
11-Oct	Core PPI	Sep	0.2%
11-Oct	Treasury Budget	Sep	$89.2B
12-Oct	CPI	Sep	0.6%
12-Oct	Core Cpi	Sep	0.3%
12-Oct	Initial Claims	10/7	207K
12-Oct	Continuing Claims	9/30	1664K
12-Oct	EIA Natural Gas Inventories	10/7	+86bcf
12-Oct	EIA Crude Oil Inventories	10/7	-2.22M
13-Oct	Export Prices ex-ag.	Sep	1.7%
13-Oct	Import Prices ex-oil	Sep	-0.1%
13-Oct	Univ. of Michigan Consumer Sentiment - Prelim	Oct	68.1
16-Oct	Empire State Manufacturing	Oct	1.9
17-Oct	Retail Sales	Sep	0.6%
17-Oct	Retail Sales ex-auto	Sep	0.6%
17-Oct	Industrial Production	Sep	0.4%
17-Oct	Capacity Utilization	Sep	79.7%
17-Oct	Business Inventories	Aug	0.0%
17-Oct	NAHB Housing Market Index	Oct	45
17-Oct	Net Long-Term TIC Flows	Aug	$8.8B

ECONOMIC CALENDAR

18-Oct	MBA Mortgage Applications Index	10/14	N/A
18-Oct	Housing Starts	Sep	1283K
18-Oct	Building Permits	Sep	1543K
18-Oct	EIA Crude Oil Inventories	10/14	N/A
18-Oct	Fed's Beige Book	Oct	N/A
19-Oct	Initial Claims	10/14	N/A
19-Oct	Continuing Claims	10/7	N/A
19-Oct	Philadelphia Fed Index	Oct	-13.5
19-Oct	Existing Home Sales	Sep	4.04M
19-Oct	Leading Indicators	Sep	-0.4%
19-Oct	EIA Natural Gas Inventories	10/14	N/A
25-Oct	MBA Mortgage Applications Index	10/21	N/A
25-Oct	New Home Sales	Sep	675K
25-Oct	EIA Crude Oil Inventories	10/21	N/A
26-Oct	Initial Claims	10/21	N/A
26-Oct	Continuing Claims	10/14	N/A
26-Oct	Durable Orders	Sep	0.2%
26-Oct	Durable Goods -ex transportation	Sep	0.4%
26-Oct	GDP-Adv.	Q3	N/A
26-Oct	Chain Deflator-Adv.	Q3	N/A
26-Oct	Adv. Intl. Trade in Goods	Sep	-$84.3B
26-Oct	Pending Home Sales	Sep	-7.1%
26-Oct	EIA Natural Gas Inventories	10/21	N/A
27-Oct	Personal Income	Sep	0.4%
27-Oct	Personal Spending	Sep	0.4%
27-Oct	PCE Prices	Sep	0.4%
27-Oct	PCE Prices - Core	Sep	0.1%
27-Oct	Univ. of Michigan Consumer Sentiment - Final	Oct	N/A
31-Oct	Chicago PMI	Oct	44.1
31-Oct	Employment Cost Index	Q3	N/A
31-Oct	FHFA Housing Price Index	Aug	N/A
31-Oct	S&P Case-Shiller Home Price Index	Aug	N/A
31-Oct	Consumer Confidence	Oct	103

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 (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 1863
BUILDING WEALTH TOGETHER

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

Abingdon
153 W. Main St., Ste. 100
Abingdon, VA 24210
(276) 274-8277

Atlanta*
515 E. Crossville Rd., Ste. 380
Roswell, GA 30075
(404) 865-4040

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. 306
Greensboro, NC 27408
(336) 297-2800

Harrisonburg
21 Carpenter Lane, Suite 101
Harrisonburg, VA 22801
(540) 383-6550

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
201 Chatham Street., Ste. 1
Sanford, NC 27330
(919) 777-9823

Staunton
59 Lee Highway
Verona, VA 24482
(540) 430-7696

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

Towson*
8600 LaSalle Rd., Ste. 618
Towson, MD 21286
(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.