


# Davenport Equity Opportunities Fund DEOPX ★★★★★ Bronze

NAV / 1-Day Return	Total Assets	Adj. Expense Ratio	Expense Ratio	Fee Level	Load
23.69 / 0.89%	621.4 Mil	0.910%	0.910%	Below Average	None
Category	Investment Style	Minimum Initial Investment	Status	TTM Yield	Turnover
US Fund Mid-Cap Blend	 Mid Growth	5,000	Open	0.00%	21%

USD | NAV as of Jan 8, 2021 | 1-Day Return as of Jan 08, 2021, 10:37 PM EST | Analyst Rating as of Dec 11, 2020, 6:00 AM

Process [Dec 11, 2020](#)

● Above Average

People [Dec 11, 2020](#)

● Above Average

Parent [Dec 10, 2020](#)

● Above Average

## Concentrated but risk-aware.

**Summary** | by Claire Butz [Dec 11, 2020](#)

Davenport Equity Opportunity's stable team steers a distinctive and risk-aware approach. The strategy maintains its Morningstar Analyst Rating of Bronze.

Managers George Smith and Christopher Pearson have earned their stripes. Smith and Pearson both began their careers at Davenport in 1997 and 2006, respectively, and like many of their colleagues, have stuck around for the long haul. Smith came aboard this strategy upon its December 2010 inception and Pearson joined him in August 2013. The managers have demonstrated investing acumen here and on their other charge, Davenport Small Cap Focus DSCPX, which had top-percentile returns in the small-blend Morningstar Category from its December 2014 launch through November 2020. Smith and Pearson receive support from a stable, nine-person analyst team.

Smith and Pearson have a keen eye for finding winning firms. The pair aims to invest in high-quality businesses that can compound profits at a higher rate than the Russell Midcap Index. Prudent balance sheets and talented management teams are among the investment criteria for the approximately 28-stock portfolio. Smith and Pearson don't manage to a benchmark, so the concentrated portfolio can look quite different than the bogy. As of October 2020, the strategy's active share (a measure of differentiation in names and weightings from an index) was 97% relative to the benchmark. Large allocations to financials and communications services paired with healthcare and technology underweightings also helped the portfolio to stand out.

The managers' emphasis on quality and profitability has yielded an attractive risk/reward profile. Lower volatility and greater protection in market downturns relative to the bogy resulted in attractive risk-adjusted returns from Smith's start through November 2020. The strategy maintained this pattern in 2020's market drawdown; strong consumer discretionary picks such as Etsy ETSY helped the fund fall less than its benchmark in the first-quarter market plummet.

**Process** | ● Above Average | by Claire Butz [Dec 11, 2020](#)

A patient and flexible approach earns this strategy an Above Average Process rating.

Managers George Smith and Christopher Pearson look for firms that can compound profits at a higher rate than the Russell Midcap Index. They work closely with their analysts to research management teams and find companies with healthy balance sheets and strong free cash flows. In order to get such firms at reasonable valuations, Smith and Pearson have shown a willingness to be contrarian when firms or industries encounter problems they believe to be short term.

The duo can invest across the market-cap spectrum in building their approximately 28-stock portfolio. Smith and Pearson don't tie themselves to the strategy's Russell Midcap benchmark, so sector weightings can look out of step with the bogy's. While the portfolio is compact, the strategy's top holding has typically composed 5% to 7% of the portfolio's assets and has never hit 10%.

Smith and Pearson tend to invest for the long haul unless elevated valuations or broken theses force their hand. Portfolio turnover averaged 25% annually during the past five years through 2019 versus 68% for the typical mid-blend category peer.

George Smith and Christopher Pearson's benchmark-agnostic approach yields a unique portfolio. The approximately 28-stock portfolio's active share (a measure of differentiation in names and weightings from an index) averaged 97% versus the Russell Midcap benchmark over the trailing five years ended September 2020. The managers make use of their latitude with the portfolio's sector weightings. As of October 2020, the portfolio sported an 11.0-percentage-point overweighting in financials names and a 9.4-percentage-point underweighting in technology relative to the bogy. Communication-services names constituted 16.1% of assets versus the index's 4.6%, while the team's 5.1% healthcare allocation stood well below the bogy's 13.1%.

The compact portfolio courts concentration risk, but a preference for high-quality and financially sound firms has helped mitigate that risk. As of October, the portfolio's average return on equity, return on assets, and return on invested capital were all more than twice that of the benchmark. The portfolio's 10 largest weightings in October consumed 45% of assets versus the benchmark's 4.5% and typical mid-blend category peer's 16%. American Tower AMT was the largest weighting that month at 5.2% of assets. The managers like the company's cash flow generation and are bullish on the firm's growth prospects outside the United States.

**People** |  Above Average | by Claire Butz [Dec 11, 2020](#)

This team's stability and experience earn the strategy an Above Average People rating.

The strategy's managers are industry and firm veterans. George Smith has managed this strategy since its December 2010 inception, and Christopher Pearson joined him in August 2013. Both were analysts in Davenport's brokerage division; Smith worked there from 1997 to 2007 before joining the buy side, and Pearson had a yearlong stint before joining Smith in 2007. The duo has demonstrated strength across the market-cap spectrum; the pair also manages Davenport Small Cap Focus, which had top percentile returns in the small-blend category from its December 2014 launch through November 2020.

Smith and Pearson work closely with a nine-person analyst team to value firms and source ideas. Davenport has strong employee retention, but that has not kept the firm from finding fresh talent. The group has seasoned and newer talent alike. On average, the analysts have approximately 18 years of industry experience and 11 years at the firm. Smith is the chairman of a seven-person investment policy committee that provides guidance for the firm's five strategies. Pearson also serves on the committee.

Manager ownership is adequate. Smith's public stake in the strategy is between \$500,000 and \$1 million, while Pearson's is between \$100,000 and \$500,000.

**Parent** |  Above Average | by Claire Butz [Dec 10, 2020](#)

Increased confidence in Davenport & Company's investment culture drives its Parent rating upgrade to Above Average from Average.

Richmond, Virginia-based Davenport is a solid, employee-owned financial-services firm. The company has been around for more than 150 years, serving brokerage clients primarily located in the mid-Eastern United States, and it expanded into investment management in the 1980s. Since then, the firm has prudently grown its product lineup to five strategies and has garnered roughly \$8 billion in assets under management. Today, Davenport Asset Management generates more than half the company's revenues.

Most who join the ranks at Davenport stick around. The firm's collaborative culture and tendency to grow talent in-house have resulted in strong employee retention in its investment management division. Although departures are infrequent, the firm has continued to bring in fresh talent; Davenport's 12-person central team of analysts spans generations and has wide-ranging industry experience. Davenport executes a team-based approach and plans well for succession.

Davenport has been selective in choosing clients, which has helped the firm maintain its stable asset base. The group seeks investors who align with the company's bottom-up and long-term investment style. The firm continues to focus on expanding its distribution channels to diversify its client base.

### Performance

Manager George Smith has forged a competitive record over his nearly decade-long tenure on this strategy. From his December 2010 start through November 2020, the strategy's 13.4% annualized gain topped the Russell Midcap benchmark's 12.0% and typical mid-blend category peer's 9.3%. Fundholders have seen lumpy performance over the strategy's life, but those who've stuck it out have reaped rewards. The strategy sported top-quintile returns in four of the nine trailing calendar years, while bottom-quintile performance plagued just two. Atypical sector weightings (like the portfolio's financials overweighting and technology underweighting) impacted returns, but strong stock selection remained the primary driver of outperformance.

The strategy's emphasis on quality and profitability has helped protect returns in market drawdowns. Over Smith's tenure, the concentrated strategy captured just 85% of the benchmark's losses while still securing 97% of its gains. This trend persisted in 2020's first-quarter market plunge; from the benchmark's Feb. 18 peak to its March 23 trough, the strategy fell 37.6% versus the bogey's 40.2% loss and typical peer's 40.1%. Consumer discretionary picks such as ecommerce site Etsy and online sports-betting firm DraftKings DKNK helped buoy the strategy a bit during the market plummet.

### Price

It's critical to evaluate expenses, as they come directly out of returns. The share class on this report levies a fee that ranks in its Morningstar category's second-cheapest quintile. Based on our assessment of the fund's People, Process and Parent pillars in the context of these fees, we think this share class will be able to deliver positive alpha relative to the category benchmark index, explaining its Morningstar Analyst Rating of Bronze.

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Past performance is no guarantee of future results

The Morningstar Rating for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Trailing performance (%) Net of fees							
Last Month End 12/31/2020	1 Month	QTD	YTD	1 Year	3 Years*	5 Years*	Since Inception*
Davenport Equity Opportunities	4.05	16.33	21.43	21.43	15.86	15.06	13.77
Russell Mid Cap®	4.68	19.91	17.10	17.10	11.61	13.40	12.41
S&P 500®	3.84	12.15	18.40	18.40	14.18	15.22	13.88
Lipper Mid Cap Core	5.06	20.43	11.74	11.74	8.21	11.17	10.20
Last Quarter End 09/30/2020	1 Month	QTD	YTD	1 Year	3 Years*	5 Years*	Since Inception*
Davenport Equity Opportunities	-1.60	9.24	4.39	8.57	11.49	11.84	12.39
Russell Mid Cap	-1.95	7.46	-2.35	4.55	7.13	10.13	10.67
S&P 500	-3.80	8.93	5.57	15.15	12.28	14.15	12.93
Lipper Mid Cap Core	-2.30	6.08	-7.22	-0.94	3.53	7.70	8.39

**An investor may obtain performance data current to the most recent month end by calling (800) 846-6666, or by visiting our website at [www.investdavenport.com](http://www.investdavenport.com). Performance shown is historical and is no guarantee of future results. Current performance may be lower or higher than the data quoted. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost.**

The thoughts and opinions expressed in the article are solely those of the person speaking as of December 11, 2020. The discussion of individual companies should not be considered a recommendation of such companies by the Fund's investment adviser. The discussion is designed to provide a reader with an understanding of how the Fund's investment adviser manages the Fund's portfolio.

**There can be no assurance with regard to future market movements. Mutual fund investing involves risk. Principal loss is possible. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund and may be obtained by calling 800-846-6666. Read it carefully before investing.** Distributed by Ultimus Fund Distributors, LLC. 11837325-UFD-1/12/202

# Performance

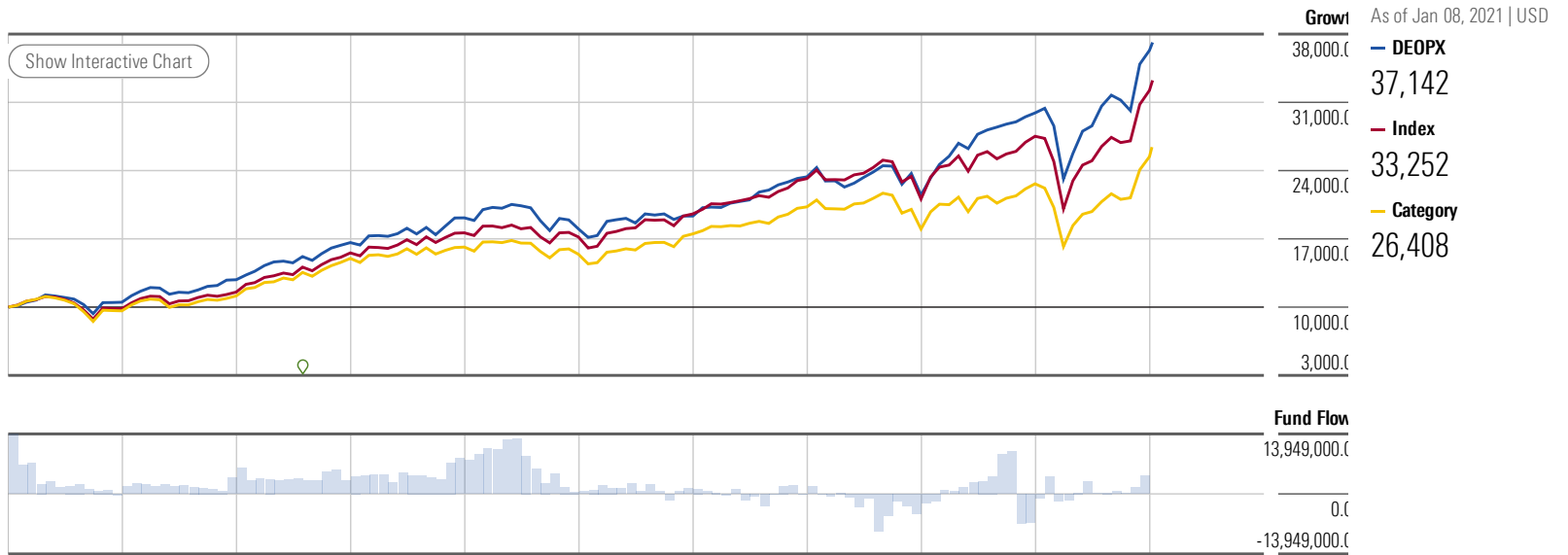
Returns Distributions

## Growth of 10,000

- Fund
- Category
- Index
- Fund Flows

### Manager Change

- ◆ Full
- ◇ Partial



Total Return %	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Fund	5.00	21.99	29.72	15.27	-5.93	7.33	20.79	-8.01	39.22	21.43	2.24
+/- Category	8.82	5.84	-4.38	7.46	-1.18	-6.81	4.86	3.14	13.01	9.05	-1.61
+/- Index	6.55	4.71	-5.04	2.05	-3.49	-6.46	2.27	1.05	8.67	4.33	-0.94
Quartile Rank	III	III	III	III	III	III	III	III	III	III	III
Percentile Rank	5	3	87	3	89	31	71	68	11	12	96
# of Funds in Cat.	424	412	399	369	432	427	443	464	404	407	409










YTD Fund as of Jan 08, 2021 | Category: Mid-Cap Blend as of Jan 08, 2021 | Index: Russell Mid Cap TR USD as of Jan 08, 2021

## Trailing Returns

Day End

Month End

Quarter End

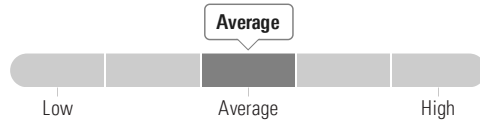
	1-Day	1-Week	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception
Total Return %	0.89	2.24	4.50	15.46	2.24	23.87	15.62	16.96	13.93	—	13.99
+/- Category	0.95	-1.61	-1.66	-3.20	-1.61	6.97	6.84	3.60	3.24	—	—
+/- Index	0.62	-0.94	-0.55	-1.68	-0.94	3.26	3.71	1.42	1.23	—	—
Quartile Rank										—	—
Percentile Rank	3	96	88	73	96	16	7	12	2	—	—
# of Funds in Cat.	409	409	409	409	409	402	370	306	212	147	—

USD | Fund return as of Jan 08, 2021 | Category: Mid-Cap Blend as of Jan 08, 2021 | Index: Russell Mid Cap TR USD as of Jan 08, 2021 | Inception date Dec 31, 2010 | Time periods greater than 1 year are annualized

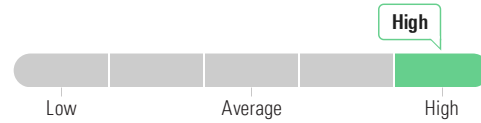
Risk **3-Yr** 5-Yr 10-Yr

**Morningstar Risk & Return**

**Risk vs. Category**

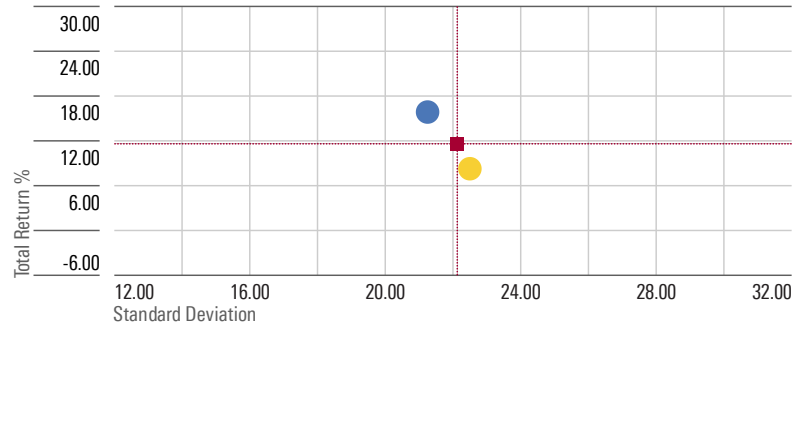


**Return vs. Category**



Category: Mid-Cap Blend as of Dec 31, 2020 | Rankings are out of 374 funds.

**Risk/Return Analysis**



USD | Category: Mid-Cap Blend | Index: Russell Mid Cap TR USD | Return as of Dec 31, 2020 | Standard Deviation as of Dec 31, 2020

**Risk & Volatility Measures**

Trailing	Fund	Category	Index
Alpha	1.45	-6.24	-3.36
Beta	1.04	1.13	1.13
R <sup>2</sup>	84.95	88.49	92.45
Sharpe Ratio	0.73	0.40	0.54
Standard Deviation	21.25	22.50	22.13

USD | Fund as of Dec 31, 2020 | Category: Mid-Cap Blend as of Dec 31, 2020 | Index: Russell Mid Cap TR USD as of Dec 31, 2020 | Calculation Benchmark: S&P 500 TR USD

**Market Volatility Measures**

Capture Ratios	Fund	Category	Index
Upside	100	94	100
Downside	93	117	100

Drawdown	Fund %	Category %	Index %
Maximum	-23.83	-28.36	-27.07

Drawdown Peak Date	Drawdown Valley Date	Max Drawdown Duration
Feb 01, 2020	Mar 31, 2020	2 Months

USD | As of Dec 31, 2020 | Category: Mid-Cap Blend | Index: Russell Mid Cap TR USD | Calculation Benchmark: S&P 500 TR USD | Drawdown as of Dec 31, 2020

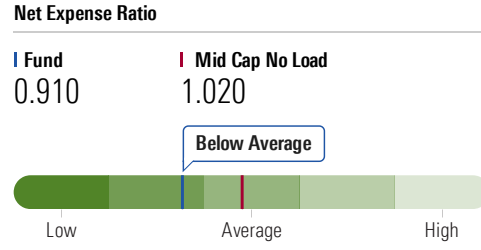


# Price

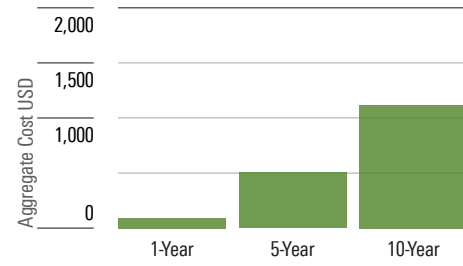
## Maximum Sales Fees

<b>Front Load</b>	<b>Deferred Load</b>
—	—
<b>Redemption Load</b>	<b>Min. Initial Investment</b>
—	5,000.00
USD	

## Ongoing Fee Level



## Cost Illustration (10k; 5% Return; USD)



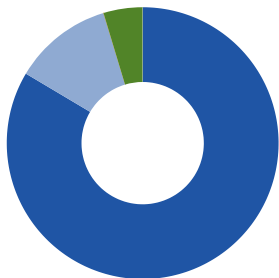
Fees	1-Yr	5-Yr	10-Yr
Purchase	0	0	0
Ongoing	93	503	1,118
Redemption	0	0	0
<b>Total</b>	<b>93</b>	<b>503</b>	<b>1,118</b>

Ongoing fees as of Aug 01, 2020. The fees illustrated above do not reflect any additional account-related fees and charges.

[More Fees / Expenses Data](#)

# Portfolio

## Asset Allocation

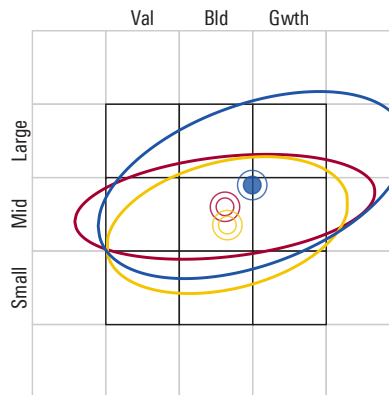


Asset Class	Fund	Category	Index
U.S. Equity	83.54	95.52	98.32
Non-U.S. Equity	11.81	2.41	1.68
Fixed Income	0.00	0.12	0.00
Other	0.00	0.42	0.00
Cash	4.65	1.60	0.00
Not Classified	0.00	0.18	0.00

Fund as of Nov 30, 2020 | Category: Mid-Cap Blend as of Nov 30, 2020 | Index: Russell Mid Cap TR USD as of Dec 31, 2020 | Source: Holdings-based calculations.

## Stock Style

Map Weight Historical



- Centroid
- Ownership Zone
- Davenport Equity Opportunities as of 11/30/2020
- Mid-Cap Blend as of 11/30/2020
- Russell Mid Cap TR USD as of 12/31/2020

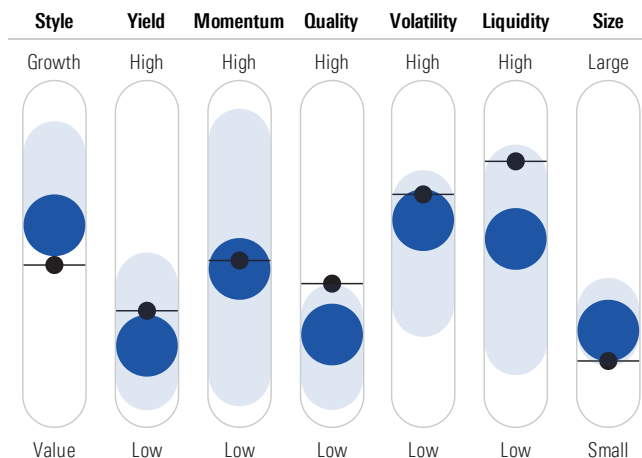
## Factor Profile

1-Yr 3-Yr 5-Yr vs. Category



## Style Measures

Measures Market Cap



- Davenport Equity Opportunities
- 5-Yr Historical Range
- Category Average

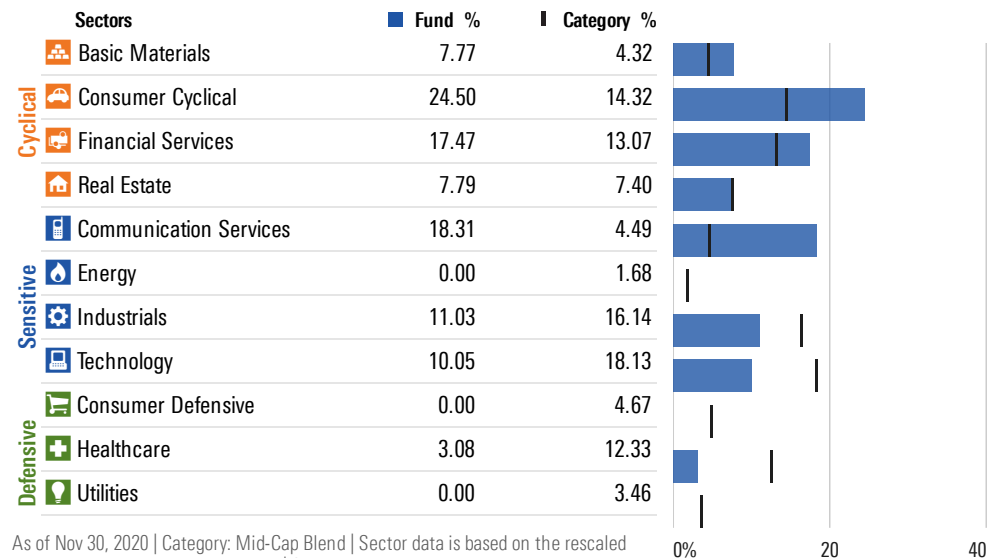
Fund as of Oct 31, 2020 | Category: Mid-Cap Blend as of Nov 30, 2020

## Value & Growth Measures

	Fund	Cat. Average	Index
Price/Earnings	5.46	19.84	20.76
Price/Book	2.55	2.62	2.78
Price/Sales	2.17	1.85	1.89
Price/Cash Flow	15.75	10.32	12.08
Dividend Yield %	0.87	1.30	1.52
Long-Term Earnings %	12.30	10.50	8.95
Historical Earnings %	17.01	9.93	7.52
Sales Growth %	9.56	5.50	6.05
Cash-Flow Growth %	15.12	6.96	5.42
Book-Value Growth %	7.05	6.65	5.41

Fund as of Nov 30, 2020 | Category: Mid-Cap Blend as of Nov 30, 2020 | Index: Russell Mid Cap TR USD as of Dec 31, 2020 | Data is based on the long position of the equity holdings.

Exposure Sector Region Country vs. Category ▾



## Financial Metrics

Metrics	Fund	Category	Index
Wide Moat Coverage %	9.31	8.84	12.33
Narrow Moat Coverage %	38.48	26.11	35.47
No Moat Coverage %	15.70	14.59	21.26
Financial Health	B	B	B
Profitability	C+	C+	C
Growth	B-	C+	B-
ROIC	13.08	8.62	6.20
Cash Return %	5.78	27.59	-3.32
Free Cashflow Yield ex-Financials	33.78	23.93	40.45
D/C Ratio	51.67	43.50	43.36

Fund as of Nov 30, 2020 | Category: Mid-Cap Blend as of Nov 30, 2020 | Index: Russell Mid Cap TR USD as of Dec 31, 2020

### Sustainability Rating



Historical Sustainability Score Percent Rank

15

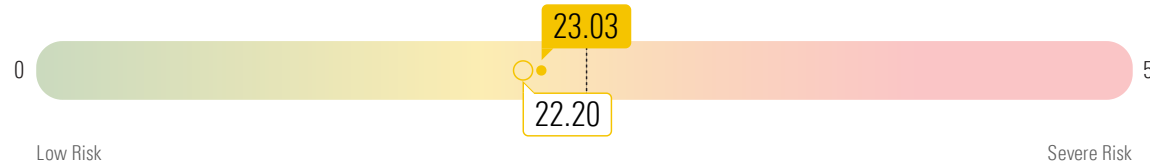
Number of Funds in Global Category

1551

Sustainable Fund by Prospectus

No

Sustainability Score • Historical ○ Current ⋮ Global Category Average (Historical)



ESG Breakdown (lower scores = lower risk)



3.82  
Environmental



9.20  
Social



7.44  
Governance

Current Sustainability Score based on 97% of AUM | Global Category: US Equity Mid Cap | Sustainability Score as of Nov 30, 2020. Sustainability Rating as of Nov 30, 2020. Sustainalytics provides company-level ESG Risk analysis used in the calculation of Morningstar's Sustainability Score. Sustainability Mandate information is derived from the fund prospectus.

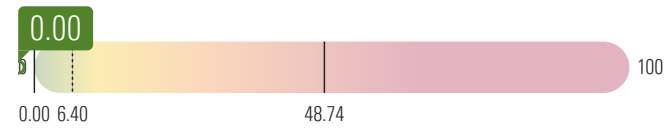
### Morningstar Carbon Metrics



#### Carbon Risk Score



#### Fossil Fuel Involvement %



Category Best (Low) and Worst (High)  
 Category Average

Carbon metrics as of Sep 30, 2020 | Category: Mid-Cap Blend as of Sep 30, 2020 | Based on 86% of AUM | Data is based on long positions only.

**Holdings**
Equity
Others

**Current Portfolio Date** Nov 30, 2020     
**Equity Holdings** 27     
**Bond Holdings** 0     
**Other Holdings** 1     
**% Assets in Top 10 Holdings** 45     
**Reported Turnover %** 21.00     
**Active Share** 96.75

**Market Value USD**

Holdings	% Portfolio Weight	First Bought	Previous 4 Periods	as of Nov 30, 2020	Share Change %	1-Year Return	P/E	Equity Star Rating	Economic Moat	Sector
DISH Network Corp Class A	5.70	Apr 30, 2016		33,753,778	↑ 13.60	-6.57	12.77	★★★	None	Communication Services
Brookfield Asset Management Inc Class A	5.41	Jan 31, 2011		32,033,421	0.00	0.39	72.46	—	—	Financial Services
American Tower Corp	4.86	Sep 30, 2019		28,804,977	↑ 10.87	0.49	39.53	★★	Narrow	Real Estate
Take-Two Interactive Software Inc	4.46	Feb 28, 2019		26,434,606	0.00	64.63	36.63	★★	Narrow	Communication Services
Etsy Inc	4.42	Sep 30, 2019		26,196,189	0.00	290.29	80.00	—	—	Consumer Cyclical
Sherwin-Williams Co	4.22	Jul 31, 2016		24,979,066	0.00	28.96	27.70	★	Narrow	Basic Materials
Fidelity National Financial Inc	4.19	Jan 31, 2011		24,834,900	0.00	-11.51	—	—	—	Financial Services
Markel Corp	4.09	Jan 31, 2011		24,196,754	0.00	-8.78	21.14	★★★	None	Financial Services
Cannae Holdings Inc Ordinary Shares	3.73	Jun 30, 2020		22,089,036	0.00	19.53	-63.29	—	—	Consumer Cyclical
Black Knight Inc A	3.70	Oct 31, 2017		21,916,329	0.00	36.20	39.06	—	—	Technology

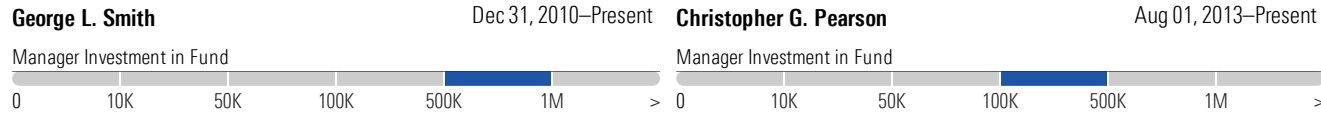
[Show More Holdings](#)

Holdings as of Nov 30, 2020 | The top 28 largest holdings are available for display across Equity, Bond and Other. Active Share as of Nov 30, 2020. Active Share index: iShares Russell Mid-Cap ETF

## People

Inception Date	Number of Managers	Longest Tenure	Average Tenure	Advisor(s)
Dec 31, 2010	2	10.1 Years	8.8 Years	Davenport & Company LLC

## Management Team



## Manager Timeline



## Strategy

The investment seeks long term capital appreciation. Under normal circumstances, at least 80% of the fund's net assets (including the amount of any borrowings for investment purposes, although the advisor does not currently intend to borrow for investment purposes) will be invested in common stocks and shares of ETFs that invest primarily in common stocks. The advisor focuses on superior risk/return opportunities using a flexible, concentrated and opportunistic approach. The fund is non-diversified.

The investment objective & strategy is a summary of the fund's principal investment strategy as written in the prospectus. This information is pulled from the most recent SEC filing (prospectus or supplement).

## Review Other Classes

Fund Name	Ticker	Front Load	Deferred Load	Expense Ratio	Minimum Initial Purchase	12b-1 Actual	Purchase Constraint	Shareclass Attributes
Davenport Equity Opportunities	DEOPX	—	—	0.91	5.0 k	—	—	—

Purchase Constraint: Institutional - T, Qualified Access - A, Closed to New/All Investments - C/L.

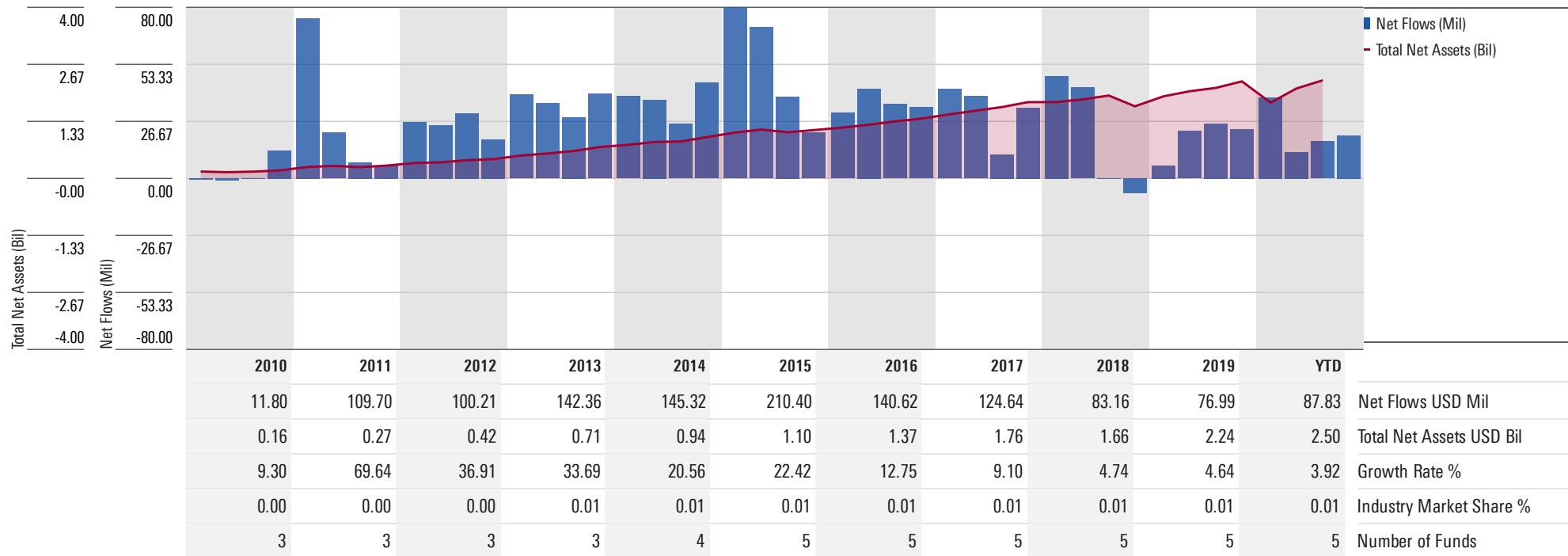
Shareclass Attributes: Available for 529 only - N, Indirect Use Only - U.



## Parent

Firm Name	Market	Total Net Assets	Fund Flows (TTM)	Asset Growth Rate (TTM)	# of Funds	Manager Retention Rate (5 Years)
Davenport	US Open-end ex MM ex FoF	2.50 Bil	95.71 Mil	4.37%	5	95.83

### Fund Flows

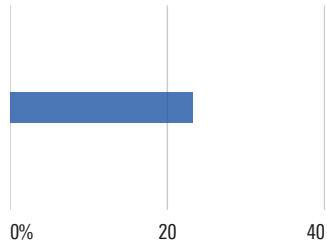


YTD as of Nov 30, 2020

### Rating Breakdown

Analyst Rating Morningstar Rating

Analyst Rating	% of Assets
Gold	0.00
Silver	0.00
Bronze	23.27
Neutral	0.00
Negative	0.00



### Top Analyst Rated Funds

Davenport Equity Opportunities

USD | Analyst Rating, Fund Flows TTM and Net Assets as of Nov 30, 2020 | Return as of Dec 31, 2020

Analyst Rating	Fund Flows TTM (Mil)	Return % 3-Year	Rank in Cat % 3-Year	Net Assets (Mil)
Bronze	-1.23	15.86	3	582.19