



*Davenport Core Fund*

*Davenport Value & Income Fund*

*Davenport Equity Opportunities Fund*

## **ANNUAL REPORT**

March 31, 2011



Dear Shareholders,

Equity markets remained strong in the first quarter of 2011. The S&P 500 Index and Russell 2000 Index advanced 5.92% and 7.94%, respectively. However, it wasn't exactly a smooth ride. Investors were first hit with unrest in the Middle East, causing oil prices to jump and raising fears of cost pressures for both consumers and corporations. Then, the world witnessed a tragic series of events in Japan involving an earthquake, tsunami, and disaster at a nuclear facility. Japan is the world's third biggest economy and many have suggested this crisis could push the country's already fragile economy into recession. Clearly, this would also have an impact on the many companies that export to Japan. Ultimately, fear subsided and U.S. markets were able to put together a strong showing. In fact, the Dow Jones Industrial Average closed the quarter right near a high for the year and the Russell 2000 Index was near 2007 highs.

There's always something to worry about. Do massive fiscal deficits mean imminent doom? What will happen when Quantitative Easing Part 2 (QE2) ends this summer? Are profit margins peaking? Will higher interest rates crimp growth and asset values? Will high energy prices derail a consumer recovery? These questions can't be answered precisely and are cause for pause, especially when considering the dramatic run stocks have enjoyed. Indeed, investors have been living in a QE driven utopia since this past August. As far as Japan goes, the recent disaster will undoubtedly have a material impact on the country's companies and consumers in the near-term. While we don't minimize this tragedy and the impact it will have on Japan's people, events like this can sometimes give way to rebuilding efforts that support economic growth. We are reminded of Hurricane Katrina. The storm had a devastating short-term impact, but companies doing business on the Gulf Coast ultimately rebounded sharply.

We wouldn't be surprised to see a little risk aversion creep back into the market. Still, we won't make efforts to time market pullbacks. We sometimes sell a stock if it appears far overvalued and/or we see a better opportunity elsewhere. However, we typically don't sell just for the sake of getting "defensive." Barring a 2008-like meltdown, selling a good company as part of a hedging strategy rarely makes sense for long-term investors. It may look smart for a period of weeks or months in the event of market weakness; however, it generally proves to have been foolish a year or so after the fact. With a fresh financial crisis under our belt, we hope our stubbornness will be rewarded. Also, remember we are coming out of a recession, not going into one. Steady decreases in unemployment should provide a tailwind.

Commodities have been all the rage. Easy monetary policy, gigantic fiscal deficits, rising demand, and now, tension in the Middle East have coalesced to put upward pressure on oil, metals and agricultural commodities. At times, we've seen investors divide the market into haves and have-nots, with the haves being commodity producers and have-nots being any company feeling the pressure of rising input costs. We understand the inflationary forces that are upon us and have added to positions in commodity producers where there is a story of value creation beyond just hoping for higher prices. We are particularly attracted to natural gas producers, which we think will ultimately benefit from broader exploitation of our gas resources. We are also attracted to hard asset/infrastructure stories where pricing power provides us inflation protection. All this said, we hesitate to be too

aggressive in the commodity world for a couple of reasons: the space seems a little too popular and filled with momentum-oriented investors, and if monetary easing ends and/or fiscal austerity sets in, we could see the commodity complex take a breather alongside more subdued inflation expectations.

Over the past quarter, we have purchased shares in a few contrarian situations. In other words, a few of our recent buys have obvious headwinds and were very out of favor at the time of purchase. While we don't classify ourselves strictly as deep value investors, we think it sometimes pays to look for opportunities in areas that others are shunning.

We have continued to emphasize the "when, not if" theme discussed in our fourth quarter letter. In our view, there has been significant deferral of spending in many industries ranging from aerospace to air conditioning. Such deferral has led to pent-up demand and, in a number of cases, we aren't taking on much risk while we wait for demand to increase. Housing, also a "when, not if" situation, is more a story of recovery from a depressed base. Many housing data points remain fairly discouraging. New home sales for February 2011 fell 16.9% to an annualized rate of 250,000, which was the lowest level since the data series began nearly 50 years ago. As one member of our Investment Policy Committee recently noted, "you have to ignore a lot of facts to be bullish on housing." We think we are in the process of building a bottom and suspect markets for home lots and building products could tighten.

We discuss the Davenport Funds in more detail below. As you will read, we are enjoying solid results thus far in 2011 and are excited about many new ideas.

## Davenport Core Fund

The following chart represents Davenport Core Fund (the "Core Fund") performance and the performance of the S&P 500 Index\*, the Core Fund's primary benchmark, for the periods ended March 31, 2011.

	Q1 2011	1 Year	3 Years**	5 Years**	10 Years**	Since Inception** (1/15/98)	Fiscal Year 2011 Gross Expense Ratio
Core Fund	4.40%	14.61%	1.67%	3.65%	4.33%	4.42%	0.99%
S&P 500	5.92%	15.65%	2.35%	2.62%	3.29%	4.37%	

*Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.*

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

\*\* Annualized.

The Core Fund enjoyed a strong fiscal year returning 14.61%, slightly lagging the 15.65% gain for the S&P 500 Index. There were many points throughout the year when it was easy to be pessimistic. Fortunately, we took advantage of market swoons to add to higher conviction ideas. At the end of the year, larger cap stocks started to close a performance gap with smaller companies. While tragic events in Japan held large caps in check late in the year, we still believe global exposure is a good thing and think shares of larger companies appear cheap.

The Financials sector was one of our best performing categories during the fiscal year. This was due in large part to our exposure to high quality asset managers such as T. Rowe Price (TROW) and Brookfield Asset Management (BAM) and less meaningful exposure to the banking sector. While being underweight in banks helped this past year, we think 2011 will be a better year for the sector as credit losses abate, loan demand approaches a bottom and dividend payments resume. We initiated a position in Bank of America (BAC) at the end of December. Bank of America is clearly among the riskier plays given well-publicized mortgage putback and foreclosure issues. However, the stock looks very cheap relative to long-term earnings power (could approach \$2.00) and could work higher as headlines abate. Though we realize near-term news flow could be rough, we felt the risk/reward profile was too compelling to ignore.

Housing and autos are also areas where it seems suppressed demand will have to resurface in the event of an extended recovery. Throughout the year we have participated in improving sentiment in the auto sector via stocks such as CarMax (KMX) and AutoZone (AZO). We increased our housing exposure by adding to Lowe's (LOW) and initiating a new position in leading homebuilder, NVR, Inc. (NVR). In our view, Lowe's is a cheap stock that seems poised to benefit from an up-tick in remodeling demand. NVR is exposed to some of the most resilient housing markets in the country (Mid-Atlantic/Washington D.C.) and its practice of optioning lots (i.e. putting up as little capital as possible) helped the company maintain profitability throughout the entire downturn (something no other homebuilder can say). While we do not know when housing will turn, we think it will be difficult for things to get much worse. As such, we believe there shouldn't be much downside from here for either stock. When things do improve however, earnings power should be markedly higher than current levels.

Energy stocks posted a strong quarter and were up nicely on the year. Schlumberger (SLB), Exxon Mobil (XOM) and Chevron (CVX) were standouts in the group. Throughout the year we began to warm up to companies with natural gas exposure. We realize it is tough to get excited about gas given high storage levels, elevated rig counts and anemic demand; however, we also think it is difficult to imagine things getting much worse. In November, we added to Exxon Mobil (XOM) and EOG Resources (EOG). While each company has taken steps to diversify their production mix (XOM out of oil to gas and EOG out of gas to oil), both have been criticized for their exposure to gas production. Over time, each of these companies has proven to be an excellent steward of shareholder capital, generating impressive multi-year returns. As the outlook for gas improves, we expect each of these stocks will recapture the premium valuations they once carried.

As one would expect in a strong market environment, the Consumer Staples and Health Care sectors underperformed recently. The Health Care sector's relative performance benefited, thanks to robust gains in Novo Nordisk (NVO), LabCorp (LH) and WellPoint (WLP). However, our Consumer Staples holdings were a drag on both relative and absolute performance as the sector dealt with fears surrounding higher input costs. In both cases, the sectors' generally defensive characteristics caused many investors to look elsewhere. While this sluggishness is frustrating in the context of a rising market, we still think it makes sense to have exposure to these areas. For many of these companies, underperformance has been a result of simply being out of favor rather than some deterioration in long term prospects.

In closing, we want to reiterate our dedication to delivering competitive returns while taking on less risk. While some of our recent actions could be deemed contrarian, we feel the potential returns from these investments significantly outweigh the risks. Furthermore, we continue to believe quality large-cap equities offer a compelling value proposition.

## New Positions

**The Boeing Company (BA)** is the world's largest manufacturer of commercial jetliners and military aircraft. The stock has stalled over the last couple of months due to setbacks and uncertainty in the 787 production process in addition to ongoing concerns surrounding the company's defense segment. While headline risk associated with the 787 program will be an issue moving forward, we point out that the company's 737 and 777 platforms are expected to deliver strong results and be the main drivers of earnings over the next few years. Furthermore, expectations for the defense business already seem to be at a low point despite many product lines positioning within the pentagon mandate of "cheaper but fully capable." We believe more clarity on the outlook for the 787 should remove an overhang on the stock, redirecting attention to the company's strong product franchises and significant earnings power.

**Capital One Financial Corp. (COF)** is the 5th largest U.S. credit card provider, with operations in auto lending, consumer installment lending, small business lending and deposit taking activities. After lagging in 2010, we think 2011 could be a better year for credit sensitive financials as the economy improves, credit losses abate and loan demand bottoms. Some of these developments have already started to shine through at COF in the form of net charge off declines and a slowdown in the rate of loan contraction. While we are not out of the woods yet we believe these trends should continue, leading to EPS well north of \$5.00 over the next couple years. With the stock trading for less than 10x consensus EPS projections, we believe the risk reward profile is attractive.

**Discovery Communications, Inc. (DISCK)** is a leading global media and entertainment company whose 100+ channels include flagship properties such as the Discovery Channel, Animal Planet and TLC. We believe recent weakness in the name has yielded an opportunity to gain exposure to a well run company, with attractive assets and multiple long term growth drivers. The company's core assets should continue to deliver a solid earnings stream as key channels close the gap with peers on a per-household affiliate and advertising revenue basis. Emerging networks should become more meaningful drivers of earnings growth as audience sizes reach a critical mass for advertisers. Furthermore, efforts to leverage the company's popular (and easily translatable) content across international markets should lead to above average growth and support a higher multiple for the shares over time. We believe DISCK has a solid balance sheet and uses its strong cash flows to buy back stock and reinvest in the business.

**WellPoint, Inc. (WLP)** is one of the largest managed care companies in the U.S., operating the Blue Cross & Blue Shield plans in 14 states and covering roughly 34 million medical members in total. This is clearly a contrarian/value oriented investment that faces some well documented headwinds. However, we find the risk/reward to be appealing at current levels. While the stock has been held in check for some time, we believe that it could have solid upside as subscriber rates improve, investment income benefits from higher interest rates, and political rhetoric subsides.

## Increased Positions

**Brookfield Asset Management, Inc. (BAM) \*\*** is a specialty asset manager with a concentration in property, power and infrastructure assets. Since the financial crisis, the company has utilized its strong balance sheet and liquidity to opportunistically purchase high quality assets at great values. Going forward, we are encouraged by recent third party asset gathering momentum and the potential for further value enhancing investments. Given management's impressive track record of value creation, we are comfortable with their ability to allocate capital wisely and grow the entity at an above average pace for an extended period of time.

**NVR, Inc. (NVR)** is a leading homebuilder that operates primarily under the name Ryan Homes. The Mid-Atlantic is its biggest market. We aren't expecting housing markets to improve materially anytime soon and could indeed be early to the stock; however, there shouldn't be much downside from here and this company's earnings power will be markedly higher than current levels when things do improve. We also note the company has \$1 billion of excess cash (vs. its \$3.8 billion market cap). Lastly, we note that we initiated the position at 1.0% in the previous quarter due to the stock's limited trading liquidity.

**Transocean Ltd. (RIG)\*\*** is the largest and most geographically diverse offshore oil & gas drilling company in the world. It is positioned to benefit from an increasing reliance on offshore/deepwater sources of supply to meet rising global demand. Given the stocks cheap valuation and small size relative to other holdings, we felt adding to the position was a good way to add high quality exposure to the sector. In addition to rising oil prices and a less restrictive regulatory approach in the Gulf of Mexico, we believe the company's recent dividend announcement should provide support to the shares.

\*\* Foreign Security

## Davenport Value & Income Fund

The following chart represents Davenport Value & Income Fund (the "Value & Income Fund") performance and the performance of the S&P 500 Index\*, the Fund's primary benchmark, and the Lipper Equity Income Index for the periods ended March 31, 2011.

	Q1 2011	Since Inception (12/31/2010)	Total Expense Ratio
Value & Income Fund	5.35%	5.35%	1.25%
S&P 500 Index*	5.92%	4.37%	
Lipper Equity Income Index*	5.85%	5.85%	

*Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.*

\* 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. The Lipper Equity Income Fund Index is an unmanaged index of the 30 largest funds, based on total year-end net asset value, in the Lipper Equity Income Fund category. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

The Value & Income Fund had a strong quarter, returning 5.35%, roughly in line with the 5.92 % gain for the S&P 500 Index and the 5.85% gain for the Lipper Equity Income Index. During the quarter, we saw companies increase or institute dividends at an accelerating pace. According to S&P Research, roughly 117 companies in the S&P 500 Index indicated an intention to either raise or start paying a dividend since the start of the calendar year 2011 compared to 78 companies who raised their dividends during the same period last year. Given record cash balances (and near record cash flows), a firmer economic backdrop, and historically low distribution levels (quarterly dividends by S&P 500 Index companies are still 13% below 2008 peak levels according to S&P Research), we expect to continue seeing businesses return

capital to shareholders in the form of dividends. As such, we believe this is an exciting time for the Value & Income Fund, which has many attractive opportunities for capital appreciation in addition to continued dividend growth.

One of the sectors that saw the greatest amount of dividend increases during the quarter was Financials. Much of this was due to the conclusion of the Fed's stress test process, which paved the way for meaningful dividend increases for bank holdings such as JPMorgan (JPM) (quarterly dividend increased 5x to \$0.25) and Wells Fargo (WFC) (quarterly dividend increased 2.4x to \$0.12). Ironically, non-bank holdings such as Plum Creek Timber (PCL) and Willis Group Holdings (WSH) were our largest contributors to performance in the sector. High teens gains in these names helped to offset weakness in others such as Walter Investment Management (WAC) and Bank of America (BAC). We initiated a position in BAC at the beginning of the period, following the company's settlement on rep and warranty claims with the Government Sponsored Entities (GSEs). The stock suffered some weakness after the Fed rejected its proposal for a modest dividend, likely due to legacy issues and concerns regarding internal capital generation. While we were disappointed to learn of this ruling, we still believe BAC is capable of paying a meaningful dividend as it moves towards its goal of a 30% payout ratio on earnings power that could approach \$2.00 in coming years. Given this prospect, and considering that the stock trades at only a slight premium to tangible book value, we feel the shares offer a compelling risk/reward proposition.

A few of our commodity-related holdings stand to benefit from ongoing commodity inflation. Needless to say, as incremental factors such as the escalating unrest in the Middle East entered the equation, most of these names exhibited significant strength. Energy holdings Chevron (CVX), Exxon Mobil (XOM) and Encana (ECA) were top performers during the quarter; however, recent additions to the portfolio within the category also helped absolute performance.

We might look to lighten our exposure in the Consumer Staples and Health Care sectors and focus on a few more cyclical names. Throughout the quarter we acted on this inclination and, while Consumer Staples and Health Care continued to serve as a drag on performance, we feel much more comfortable with the Value & Income Fund's positioning. In one instance, we sold our position in McCormick (MKC) and added to positions in ECA and Norfolk Southern (NSC). Relative to MKC, both of these companies are more cyclical, appear to have more EPS upside and could benefit from higher commodity prices. They are also quality franchises that pay solid dividends and can fare well in a variety of scenarios.

Also in the Energy category, we initiated positions in ConocoPhillips (COP) and Royal Dutch Shell (RDS.B). Each of these companies is a leading integrated energy company that pays an attractive dividend. In coming years, we believe both entities will begin to reap the benefits of elevated levels of capital spending from prior years. Ultimately, new projects, lower capital requirements and elevated commodity prices should lead to sustainable periods of cash flow and dividend growth.

As indicated by the actions highlighted above, the cyclicity of the Value & Income Fund has ticked up a bit. However, the actions taken were done with a focus on high quality franchises with cheap valuations and attractive dividends that can grow. As such, we feel comfortable with the portfolio's risk profile and feel well positioned to participate as the economy gradually strengthens and corporate cash flows expand.

## New Positions

**Bank of America Corp. (BAC)** is the nation's largest consumer and small business bank, with nearly \$1 trillion in deposits. The bank has offices in 32 states, Washington D.C., and over 30 countries. The company's massive deposit base and geographic presence should serve as a valuable and stable source of low-cost funding. Moving forward, we believe the shares should exhibit significant earnings power as the economy recovers.

**ConocoPhillips (COP)** is an international integrated energy company created through the 2002 merger of Phillips Petroleum and Conoco Corp. In light of a few ill-timed acquisitions and difficulties replacing production, the stock now trades at a meaningful discount to its NAV. Looking ahead, we think the stock is at an inflection point and that a variety of developments could cause this discount to erode. As is the case for many peers, upstream results should benefit from higher commodity prices in addition to a shift to higher margin liquids production. Downstream/refining operations should also benefit from widening spreads. Alongside this improvement in cash flows, we expect management to continue to high grade the company's asset portfolio through selective asset sales and prudent reinvestment. This activity should bolster the company's already strong balance sheet (\$10 billion in cash), allowing stock buybacks and further increases to the dividend (yields 3.5%).

**Royal Dutch Shell plc (RDS.B)\*\*** is a leading energy integrated company and the largest producer of liquid natural gas (LNG). Amid seven straight years of production declines and a 2004 reserve downgrade, the company continued to invest heavily in value-creating projects. 2010 marked the first year of upstream production growth in 7 years, beginning what we believe to be a multi-year period of outsized production, free cash flow and dividend growth. Beyond meaningful new projects, increased production and higher commodity prices, we expect results to benefit from an above average earnings exposure to refining and chemicals (yields 5.0%).

**Watsco, Inc. (WSO)** is the largest independent distributor of heating, ventilation, air conditioning (HVAC) and refrigeration equipment, parts, and supplies in the U.S. Headquartered in Coconut Grove, Florida, the company was founded in 1947 as a parts manufacturer and entered the distribution business in 1989. Most of the executives have been with the company for an extended period of time and the company has about 23% ownership by insiders. WSO is still led by the CEO that bought the company in 1973. WSO has an estimated 7% market share in a \$26 billion market and has 18 employees at its headquarters (yields 3.2%).

## Increased Positions

**Encana Corp. (ECA)\*\*** is one of the largest independent natural gas Exploration & Production (E&P) companies in North America, with a diverse portfolio of high quality/low cost assets across Canada and the U.S. ECA continues to lower its cost of production, enabling dividend coverage and sustainable production in even more draconian price environments. This intense focus on costs, in addition to management's more efficient deployment of capital, should help generate attractive long-term returns as the company exploits its 20+ year drilling inventory. Management appears to be committed to the current \$0.80 dividend (yields 2.8%).

**Norfolk Southern Corp. (NSC)** is the fourth largest rail network in North America, operating approximately 21,000 route miles of track. Over the past year, results have improved significantly alongside increasing industrial demand and firmer commodity prices. While we expect more earnings leverage to result from a continuation of these trends, we also believe the company

is well positioned to benefit from secular/structural developments that should make rails an increasingly attractive logistical alternative over time. NSC has a well respected and experienced management team, a solid balance sheet and an attractive dividend (yields 2.5%).

\*\* Foreign Security

## Davenport Equity Opportunities Fund

The following chart represents Davenport Equity Opportunities Fund (the “Equity Opportunities Fund”) performance and the performance of the Russell Midcap Index\*, the Equity Opportunities Fund’s primary benchmark, and the S&P 500 Index, for the periods ended March 31, 2011.

	Q1 2011	Since Inception (12/31/2010)	Net Expense Ratio
Equity Opportunities Fund	7.20%	7.20%	1.25%
Russell Midcap Index*	7.63%	7.63%	
S&P 500 Index*	5.92%	5.92%	

*Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.*

\* The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000, which represent approximately 25% of the total market capitalization of the Russell 1000. 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. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

The Equity Opportunities Fund enjoyed a strong quarter with a gain of 7.20%. This compares to a 7.63% advance for the Russell Midcap Index and a 5.92% gain for the S&P 500 Index. We don’t put much emphasis on short-term performance, but are pleased to have started on a good note.

Acacia Research (ACTG), a patent licensing company, was our top overall contributor. The shares have acted very well alongside new licensing agreements and additional analyst coverage. While a 30%+ return in one quarter is unusual, we were happy to see lighting strike. Construction equipment rental company RSC Holdings (RRR) was our biggest percentage gainer. We reduced our position in this cyclical company after an impressive run. Richmond-based NewMarket (NEU) was also a strong performer. The shares garnered significant attention when Berkshire Hathaway (BRK) agreed to buy Lubrizol (LZ), which is NEU’s closest comparable. Consumer related stocks such as Expedia (EXPE), Lamar (LAMR), and O’Reilly (ORLY) were among our weaker performers for the quarter. LAMR and ORLY seemed to take a timeout after strong gains in 2010. EXPE, which was already cheap, became even cheaper due to a dispute with American Airlines and disappointing earnings guidance. Given the company’s substantial cash generation and prospects for a resolution with American, we think the stock can bounce back. Also of note, our cash position was a modest drag during the quarter. We like having some fire power, but it can weigh on results in hot markets.

We believe in owning meaningful positions in companies we really like and understand. To that end, we opportunistically added to a number of existing positions during the quarter. ACTG had a sharp pullback, creating a great buying opportunity, and, as evidenced by our earlier remarks, weakness proved to be short-lived. We added to Hanesbrands (HBI) when rising cotton prices kept pressuring the shares and allowed us to make this a more meaningful position. HBI has since rallied as investors have become more comfortable with the company's ability to pass through costs. CoreLogic (CLGX) provides real estate data and analytics to financial institutions. Prospects of weak short-term results, which can be attributed to a slow real estate market, pressured the shares. We were able to pick up shares at a very cheap price, especially when considering current results could mark the trough for this company.

During the quarter, we established a position in Watsco (WSO), the largest distributor of heating, ventilation and air conditioning (HVAC) equipment in the U.S. Over the last 20 years, the company has created significant value by purchasing small/family-owned businesses, giving them access to capital, and aligning them with WSO's lean/entrepreneurial culture. Recently, the company has started doing this on a grander scale by purchasing majority stakes in a number of store locations from Carrier Corp. We think WSO can create value by changing the product mix, pricing, and cost structure at these locations. Perhaps more significant, we think pent-up demand could yield a major HVAC equipment replacement cycle. There are over 74 million units on the market over 10 years old, an all-time high. This strikes us as another "when, not if" situation, and we are being paid a 3% dividend yield while we wait. Additionally, Albert Nahmad has served as Chairman of the Board, President and CEO since 1973 and owns 10% of the company. We like it when managers are also meaningful owners.

We love stories of smart capital allocation and above average growth in cash flow per share and/or book value. Assuming a fair entry price, these ingredients tend to yield impressive value creation over time. The Fund is anchored by companies, like Brookfield (BAM), CarMax (KMX), Markel (MKL), ORLY and American Tower (AMT), that fit the bill. We can now add WSO to the team. Occasionally, we will consider a special situation that may be a turnaround story or a case of overlooked asset value. For example, we recently purchased a position in Sprint (S). Sprint provides telecommunications services and stands in the shadows of giants like AT&T (T) and Verizon (VZ). Its customer trends seem to be improving and the company is embarking on a network overhaul that could dramatically lower costs over time. There's also an asset value story here. When considering the company's majority stake in Clearwire (CLWR), Sprint owns a significant amount of wireless spectrum - a finite resource that is becoming scarce as wireless usage rises. We think this asset gives the company strategic options and provides valuation support. Since our purchase, AT&T announced plans to acquire T-Mobile. While this was an unforeseen development and takes a T-Mobile/Sprint combo off the table, we still think Sprint has upside and point out the stock is hovering around our initial purchase price even with this negative news having surprised investors.

No quarter would be complete without some regrets. Our most recent frustrations have involved selling positions in good companies, only to see them keep rising; no surprise in a strong market. We often use the proceeds from a sale to buy something else that seems to offer a more compelling risk/reward profile. Similar to what a company should do, we try to allocate our resources to the best opportunities we can find. Thank you for your trust. We look forward to reporting back as we progress through the year.

## New Positions

**Sprint Nextel Corp. (S)** is the 3rd largest carrier in the U.S., serving over 45 million customers. The company spun off its fixed-line local phone business in 2006, acquired Virgin Mobile in 2009, and owns roughly 56% in Clearwire Corporation (CLWR). Sprint has lagged wireless peers for many years, but new network initiatives and an enviable spectrum position could put this company in a good spot going forward. Furthermore, the valuation is not very demanding and downside risk seems to be manageable relative to the potential upside.

**Watsco, Inc. (WSO)** is the largest independent distributor of heating, ventilation, air conditioning (HVAC) and refrigeration equipment, parts, and supplies in the U.S. Headquartered in Coconut Grove, Florida, the company was founded in 1947 as a parts manufacturer and entered the distribution business in 1989. Most of the executives have been with the company for an extended period of time and the company has about 23% ownership by insiders. WSO is still led by the CEO that bought the company in 1973. WSO has an estimated 7% market share in a \$26 billion market and has 18 employees at its headquarters. We initiated and added to this position during the quarter.

## Increased Positions

**Acacia Research Corp. (ACTG)** is a leader in the fast growing business of patent licensing. ACTG partners with patent owners, licenses the patents to corporate users and shares the revenues 50/50 with the patent owners. We are excited by some of the new developments and emerging opportunities at the company that should give way to significant earnings power over time.

**CarMax, Inc. (KMX)** is the largest retailer of used cars in the U.S.; however, it only controls 2% of the \$275 billion market for 1-6 year old cars. This immense market opportunity, coupled with the company's superior business model and solid track record of execution and constant improvement has always attracted us to this story. More recently, the company resumed its growth strategy and has begun to see the benefits of increased traffic and pricing. Over time we believe earnings power is substantial as the company takes its business model to various other markets.

**CoreLogic, Inc. (CLGX)** provides real estate data and analytics to financial institutions. While we do not expect numbers in the company's housing transaction related businesses to recover immediately, management has set the bar low with its 2011 guidance. Over time, we expect a recovery in housing in addition to long term tail winds in the company's core data and analytics franchise to be augmented by acquisitions and stock buybacks.

**Expedia, Inc. (EXPE)** is the largest online travel agency in the world and operates a diverse portfolio of travel properties, including Expedia.com, Hotels.com, Hotwire.com and TripAdvisor. In addition to benefiting from secular tailwinds as the travel industry moves online, the company continues to take market share and emphasize higher margin businesses. All of these factors coupled with the company's scalable online platform suggest significant cash flow and earnings leverage in years to come.

**Hanesbrands, Inc. (HBI)** is an international consumer goods company that designs, manufactures, and sells high-volume, value-focused apparel essentials under brand names such as Hanes, Bali, Champion, and Playtex. Despite recent successes in restructuring/deleveraging initiatives and market share gains the stock has been a laggard due to concerns regarding the company's exposure to rising cotton prices. We think this has provided a good entry point into the stock which could experience a lift as the "mania" surrounding cotton prices wanes.

**Rockwell Collins, Inc. (COL)** is a leading provider of communications equipment and aviation electronics for military and commercial aerospace customers. The company's extremely attractive balance sheet (near net debt free), well above average returns on capital, cash flow generation (FCF/share next year could exceed \$5), and stewardship of capital makes COL one of our most attractive picks in the sector. COL has exposure on every known growth platform (both military and civilian) scheduled to be delivered or upgraded in the next decade and double digit EPS growth seems doable for the foreseeable future.

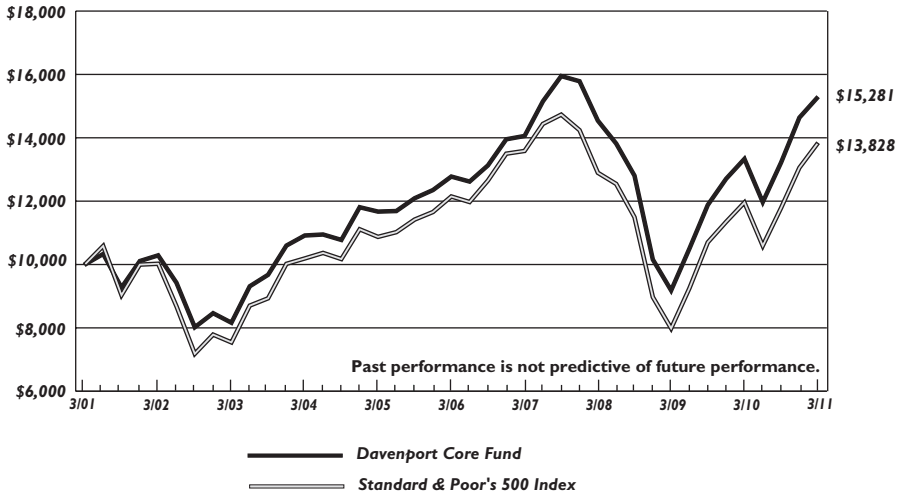
We are pleased that The Davenport Funds are off to a good start thus far in 2011 and are particularly excited about the two new additions, the Value & Income Fund and the Equity Opportunities Fund. We thank you for your trust and look forward to reporting back as we proceed through the year.

Sincerely,

John P. Ackerly, IV  
President, The Davenport Funds

# DAVENPORT CORE FUND PERFORMANCE INFORMATION (Unaudited)

**Comparison of the Change in Value of a \$10,000 Investment in the Davenport Core Fund and the Standard & Poor's 500 Index**

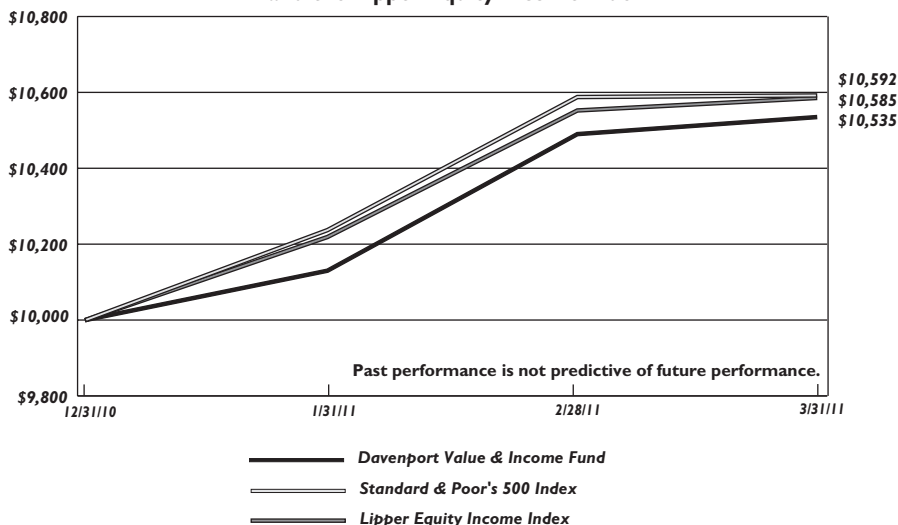


	Average Annual Total Returns <sup>(a)</sup> (for periods ended March 31, 2011)		
	1 Year	5 Years	10 Years
Davenport Core Fund	14.61%	3.65%	4.33%
Standard & Poor's 500 Index	15.65%	2.62%	3.29%

<sup>(a)</sup> The total returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

# DAVENPORT VALUE & INCOME FUND PERFORMANCE INFORMATION (Unaudited)

**Comparison of the Change in Value of a \$10,000 Investment in the Davenport Value & Income Fund, the Standard & Poor's 500 Index and the Lipper Equity Income Index**



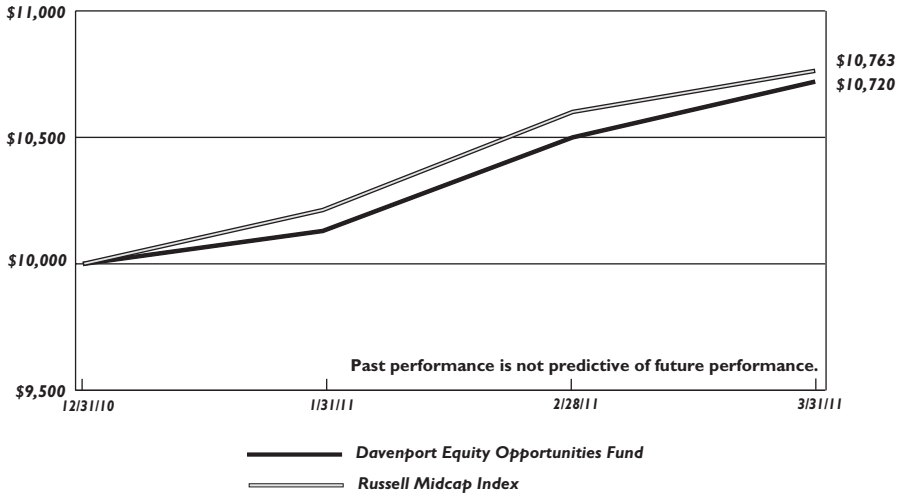
	Total Returns <sup>(a)</sup> (for period ended March 31, 2011) Since Inception <sup>(b)</sup>
Davenport Value & Income Fund	5.35%
Standard & Poor's 500 Index	5.92%
Lipper Equity Income Index	5.85%

<sup>(a)</sup> The total returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

<sup>(b)</sup> Commencement of operations was December 31, 2010.

# DAVENPORT EQUITY OPPORTUNITIES FUND PERFORMANCE INFORMATION (Unaudited)

**Comparison of the Change in Value of a \$10,000 Investment in the Davenport Equity Opportunities Fund and the Russell Midcap Index**



	<b>Total Returns<sup>(a)</sup> (for period ended March 31, 2011)</b>
	<b>Since Inception<sup>(b)</sup></b>
Davenport Equity Opportunities Fund	7.20%
Russell Midcap Index	7.63%

<sup>(a)</sup> The total returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

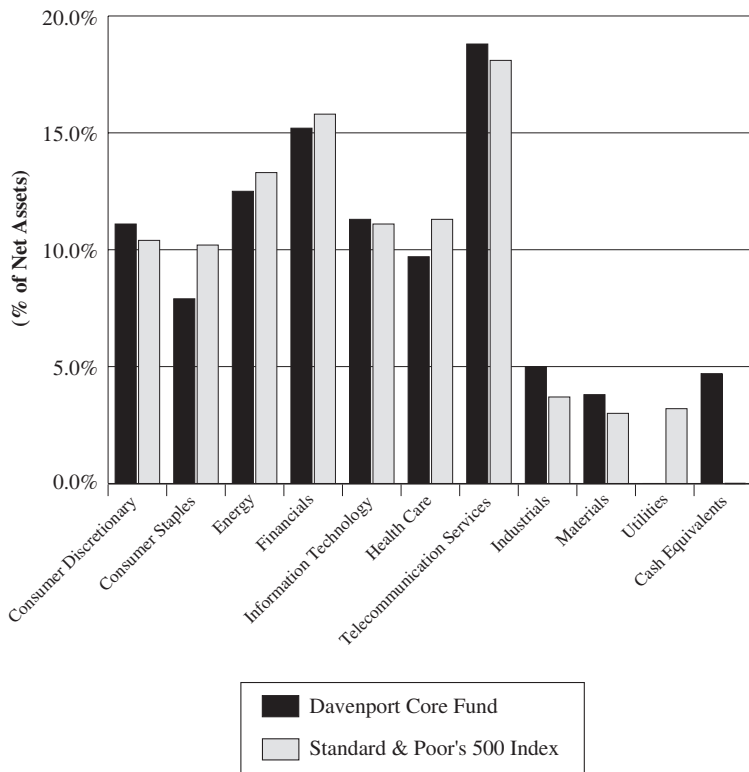
<sup>(b)</sup> Commencement of operations was December 31, 2010.

# DAVENPORT CORE FUND

## PORTFOLIO INFORMATION

### March 31, 2011 (Unaudited)

### Sector Allocation vs. the Standard & Poor's 500 Index



### Top Ten Equity Holdings

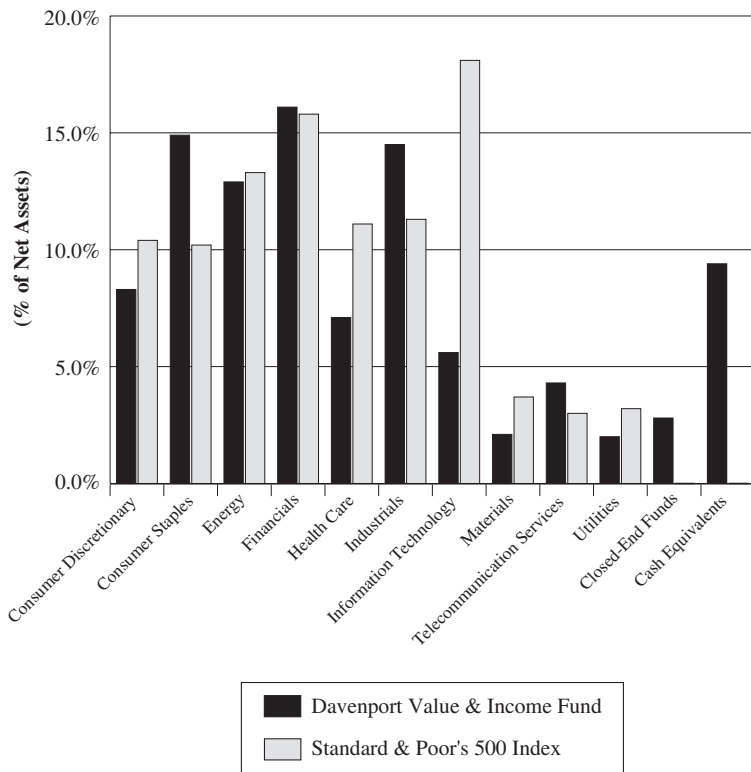
<u>Security Description</u>	<u>% of Net Assets</u>
Exxon Mobil Corporation	2.7%
Schlumberger Ltd.	2.5%
Brookfield Asset Management, Inc. - Class A	2.4%
QUALCOMM, Inc.	2.4%
Markel Corporation	2.3%
Chevron Corporation	2.3%
Danaher Corporation	2.1%
United Technologies Corporation	2.1%
International Business Machines Corporation	2.1%
Apple, Inc.	2.0%

# DAVENPORT VALUE & INCOME FUND

## PORTFOLIO INFORMATION

### March 31, 2011 (Unaudited)

### Sector Allocation vs. the Standard & Poor's 500 Index



### Top Ten Equity Holdings

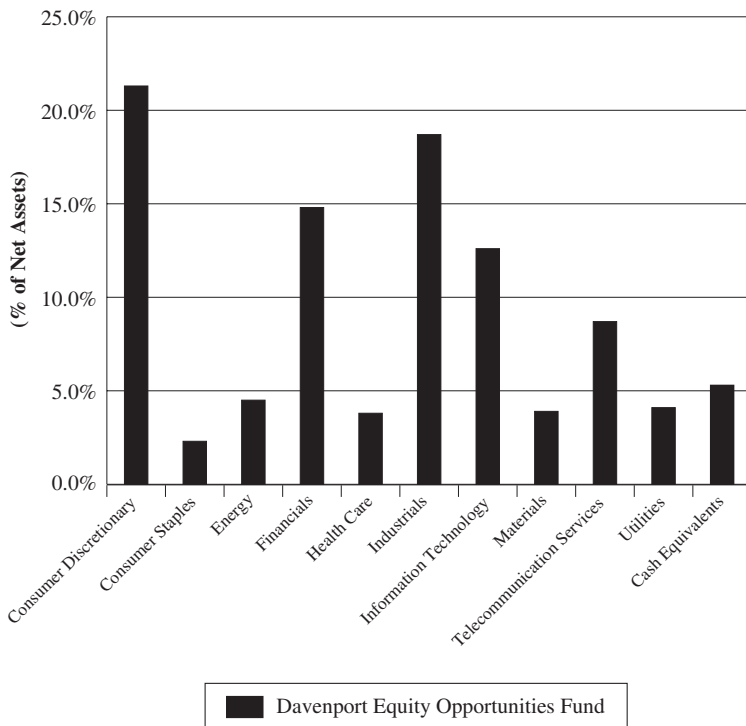
<u>Security Description</u>	<u>% of Net Assets</u>
Tortoise Energy Infrastructure Corporation	2.8%
Chevron Corporation	2.5%
Plum Creek Timber Company, Inc.	2.4%
VF Corporation	2.3%
Willis Group Holdings plc	2.3%
Altria Group, Inc.	2.3%
Vodafone Group plc - ADR	2.2%
GlaxoSmithKline plc - ADR	2.2%
Wells Fargo & Company	2.2%
Exxon Mobil Corporation	2.2%

# DAVENPORT EQUITY OPPORTUNITIES FUND

## PORTFOLIO INFORMATION

### March 31, 2011 (Unaudited)

### Sector Allocation



### Top Ten Equity Holdings

<u>Security Description</u>	<u>% of Net Assets</u>
Acacia Research Corporation	4.7%
Millicom International Cellular S.A.	4.5%
Penn National Gaming, Inc.	4.2%
CarMax, Inc.	3.9%
Markel Corporation	3.7%
Hanesbrands, Inc.	3.4%
Lamar Advertising Company - Class A	3.1%
Fidelity National Financial, Inc. - Class A	3.1%
NCR Corporation	3.0%
Safety Insurance Group, Inc.	3.0%

**DAVENPORT CORE FUND**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2011**

<b>COMMON STOCKS — 95.3%</b>	<b>Shares</b>	<b>Value</b>
<b>Consumer Discretionary — 11.1%</b>		
CarMax, Inc. <sup>(a)</sup> .....	89,180	\$ 2,862,678
Discovery Communications, Inc. - Class C <sup>(a)</sup> .....	65,880	2,319,635
Ford Motor Company <sup>(a)</sup> .....	144,488	2,154,316
Lowe's Companies, Inc. ....	118,639	3,135,628
McDonald's Corporation .....	27,522	2,094,149
NVR, Inc. <sup>(a)</sup> .....	2,972	2,246,832
Walt Disney Company (The) .....	67,332	2,901,336
		<u>17,714,574</u>
<b>Consumer Staples — 7.9%</b>		
Anheuser-Busch InBev SA/NV - ADR .....	33,873	1,936,519
PepsiCo, Inc. ....	43,611	2,808,985
Procter & Gamble Company (The) .....	36,064	2,221,542
SABMiller plc - ADR .....	81,834	2,928,839
Wal-Mart Stores, Inc. ....	52,016	2,707,433
		<u>12,603,318</u>
<b>Energy — 12.5%</b>		
Chevron Corporation .....	34,412	3,696,881
EOG Resources, Inc. ....	22,970	2,722,175
Exxon Mobil Corporation .....	52,026	4,376,947
Occidental Petroleum Corporation .....	27,511	2,874,625
Schlumberger Ltd. ....	42,023	3,919,065
Transocean Ltd. <sup>(a)</sup> .....	30,533	2,380,047
		<u>19,969,740</u>
<b>Financials — 15.2%</b>		
Bank of America Corporation .....	133,638	1,781,395
Berkshire Hathaway, Inc. - Class B <sup>(a)</sup> .....	31,491	2,633,592
Brookfield Asset Management, Inc. - Class A .....	117,220	3,804,961
Capital One Financial Corporation .....	48,692	2,530,036
CME Group, Inc. ....	4,657	1,404,318
JPMorgan Chase & Company .....	51,423	2,370,600
Markel Corporation <sup>(a)</sup> .....	8,997	3,728,807
T. Rowe Price Group, Inc. ....	42,680	2,834,806
Wells Fargo & Company .....	98,178	3,112,243
		<u>24,200,758</u>
<b>Health Care — 11.3%</b>		
Becton, Dickinson and Company .....	31,491	2,507,314
Johnson & Johnson .....	42,648	2,526,894
Laboratory Corporation of America Holdings <sup>(a)</sup> .....	28,760	2,649,659
Medco Health Solutions, Inc. <sup>(a)</sup> .....	27,945	1,569,391
Merck & Company, Inc. ....	62,982	2,079,036
Novo Nordisk A/S - ADR .....	19,318	2,419,193
Teva Pharmaceutical Industries Ltd. - ADR .....	33,608	1,686,113
WellPoint, Inc. ....	37,842	2,640,993
		<u>18,078,593</u>

# DAVENPORT CORE FUND

## SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 95.3% (Continued)	Shares	Value
<b>Industrials — 9.7%</b>		
Boeing Company (The) .....	32,020	\$ 2,367,239
Caterpillar, Inc. ....	19,284	2,147,273
Danaher Corporation .....	65,840	3,417,096
General Dynamics Corporation .....	25,669	1,965,219
Illinois Tool Works, Inc. ....	42,341	2,274,558
United Technologies Corporation .....	39,694	<u>3,360,097</u>
		<u>15,531,482</u>
<b>Information Technology — 18.8%</b>		
Accenture plc - Class A .....	52,111	2,864,542
Apple, Inc. <sup>(a)</sup> .....	9,378	3,267,764
Automatic Data Processing, Inc. ....	46,480	2,384,889
Check Point Software Technologies Ltd. <sup>(a)</sup> .....	50,809	2,593,800
Fiserv, Inc. <sup>(a)</sup> .....	50,703	3,180,092
Google, Inc. - Class A <sup>(a)</sup> .....	3,864	2,265,115
Intel Corporation .....	103,481	2,087,212
International Business Machines Corporation .....	20,218	3,296,949
Microsoft Corporation .....	97,733	2,478,509
QUALCOMM, Inc. ....	69,333	3,801,528
Visa, Inc. - Class A .....	25,140	<u>1,850,807</u>
		<u>30,071,207</u>
<b>Materials — 5.0%</b>		
Albemarle Corporation .....	51,402	3,072,297
International Flavors & Fragrances, Inc. ....	39,694	2,472,936
Praxair, Inc. ....	24,568	<u>2,496,109</u>
		<u>8,041,342</u>
<b>Telecommunication Services — 3.8%</b>		
American Tower Corporation - Class A <sup>(a)</sup> .....	61,574	3,190,765
Millicom International Cellular S.A. ....	30,147	<u>2,899,237</u>
		<u>6,090,002</u>
<b>Total Common Stocks</b> (Cost \$117,419,104) .....		<u>\$ 152,301,016</u>

U.S. GOVERNMENT AGENCY OBLIGATIONS — 0.9%	Par Value	Value
Federal Home Loan Bank, discount note, 0.01% <sup>(b)</sup> , due 04/11/2011 (Cost \$1,399,996) .....	\$ 1,400,000	<u>\$ 1,399,992</u>

# DAVENPORT CORE FUND

## SCHEDULE OF INVESTMENTS (Continued)

MONEY MARKET FUNDS — 3.1%	Shares	Value
First American Treasury Obligations Fund - Class Z, 0.00% <sup>(c)</sup> (Cost \$4,995,911) .....	4,995,911	<u>\$ 4,995,911</u>
<b>Total Investments at Value — 99.3%</b> (Cost \$123,815,011) .....		<u>\$ 158,696,919</u>
<b>Other Assets in Excess of Liabilities — 0.7%</b> .....		<u>1,197,529</u>
<b>Net Assets — 100.0%</b> .....		<u><u>\$ 159,894,448</u></u>

ADR - American Depositary Receipt.

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Rate shown is the annualized yield at time of purchase, not a coupon rate.

<sup>(c)</sup> Variable rate security. The rate shown is the 7-day effective yield as of March 31, 2011.

See accompanying notes to financial statements.

**DAVENPORT VALUE & INCOME FUND**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2011**

<b>COMMON STOCKS — 87.8%</b>	<b>Shares</b>	<b>Value</b>
<b>Consumer Discretionary — 8.3%</b>		
Home Depot, Inc. (The) .....	26,450	\$ 980,237
Leggett & Platt, Inc. ....	38,737	949,056
McDonald's Corporation .....	12,820	975,474
VF Corporation .....	11,500	<u>1,133,095</u>
		<u>4,037,862</u>
<b>Consumer Staples — 14.9%</b>		
Altria Group, Inc. ....	42,548	1,107,524
Anheuser-Busch InBev SA/NV - ADR .....	16,905	966,459
Coca-Cola Company (The) .....	15,560	1,032,406
Diageo plc - ADR .....	11,880	905,494
H.J. Heinz Company .....	13,050	637,101
Philip Morris International, Inc. ....	16,225	1,064,847
Procter & Gamble Company (The) .....	12,820	789,712
Sysco Corporation .....	28,405	<u>786,818</u>
		<u>7,290,361</u>
<b>Energy — 12.9%</b>		
Chevron Corporation .....	11,551	1,240,924
ConocoPhillips .....	12,390	989,465
Encana Corporation .....	29,830	1,030,030
Exxon Mobil Corporation .....	12,694	1,067,946
Royal Dutch Shell plc - ADR .....	13,605	996,430
Spectra Energy Corporation .....	35,465	<u>963,939</u>
		<u>6,288,734</u>
<b>Financials — 16.1%</b>		
Bank of America Corporation .....	47,045	627,110
Fidelity National Financial, Inc. - Class A .....	47,351	669,070
JPMorgan Chase & Company .....	22,265	1,026,417
Plum Creek Timber Company, Inc. ....	26,385	1,150,650
Royal Bank of Canada .....	10,640	659,361
Travelers Companies, Inc. (The) .....	15,665	931,754
Walter Investment Management Corporation .....	36,818	593,874
Wells Fargo & Company .....	33,770	1,070,509
Willis Group Holdings plc .....	27,751	<u>1,120,030</u>
		<u>7,848,775</u>
<b>Health Care — 7.1%</b>		
Abbott Laboratories .....	13,785	676,154
GlaxoSmithKline plc - ADR .....	28,370	1,089,692
Johnson & Johnson .....	15,565	922,226
Merck & Company, Inc. ....	23,410	<u>772,764</u>
		<u>3,460,836</u>
<b>Industrials — 14.5%</b>		
3M Company .....	10,305	963,517
Emerson Electric Company .....	16,220	947,735

# DAVENPORT VALUE & INCOME FUND

## SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 87.8% (Continued)	Shares	Value
<b>Industrials — 14.5% (Continued)</b>		
General Dynamics Corporation .....	13,660	\$ 1,045,810
General Electric Company .....	50,111	1,004,725
Illinois Tool Works, Inc. ....	13,785	740,530
Norfolk Southern Corporation .....	14,780	1,023,811
Waste Management, Inc. ....	23,638	882,643
Watsco, Inc. ....	7,235	504,352
		<u>7,113,123</u>
<b>Information Technology — 5.6%</b>		
Automatic Data Processing, Inc. ....	19,170	983,613
Intel Corporation .....	43,265	872,655
Microsoft Corporation .....	35,115	890,516
		<u>2,746,784</u>
<b>Materials — 2.1%</b>		
E.I. du Pont de Nemours and Company .....	18,688	1,027,279
<b>Telecommunication Services — 4.3%</b>		
Telefonica S.A. - ADR .....	40,195	1,013,718
Vodafone Group plc - ADR .....	38,010	1,092,788
		<u>2,106,506</u>
<b>Utilities — 2.0%</b>		
Dominion Resources, Inc. ....	21,635	967,085
<b>Total Common Stocks</b> (Cost \$41,694,567) .....		<u>\$ 42,887,345</u>

CLOSED-END FUNDS — 2.8%	Shares	Value
Tortoise Energy Infrastructure Corporation (Cost \$1,302,951) .....	33,332	\$ 1,339,613

MONEY MARKET FUNDS — 2.2%	Shares	Value
First American Treasury Obligations Fund - Class Z, 0.00% <sup>(a)</sup> (Cost \$1,089,726) .....	1,089,726	\$ 1,089,726
<b>Total Investments at Value — 92.8%</b> (Cost \$44,087,244) .....		\$ 45,316,684
<b>Other Assets in Excess of Liabilities — 7.2%</b> .....		<u>3,513,846</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 48,830,530</u>

ADR- American Depositary Receipt.

<sup>(a)</sup> Variable rate security. The rate shown is the 7-day effective yield as of March 31, 2011.

See accompanying notes to financial statements.

# DAVENPORT EQUITY OPPORTUNITIES FUND

## SCHEDULE OF INVESTMENTS

March 31, 2011

COMMON STOCKS — 94.7%	Shares	Value
<b>Consumer Discretionary — 21.3%</b>		
CarMax, Inc. <sup>(a)</sup> .....	42,280	\$ 1,357,188
Expedia, Inc. ....	38,435	870,937
Hanesbrands, Inc. <sup>(a)</sup> .....	43,455	1,175,023
Lamar Advertising Company - Class A <sup>(a)</sup> .....	29,110	1,075,323
NVR, Inc. <sup>(a)</sup> .....	877	663,012
O'Reilly Automotive, Inc. <sup>(a)</sup> .....	12,624	725,375
Penn National Gaming, Inc. <sup>(a)</sup> .....	38,825	1,438,855
		<u>7,305,713</u>
<b>Consumer Staples — 2.3%</b>		
Church & Dwight Company, Inc. ....	9,750	<u>773,565</u>
<b>Energy — 4.5%</b>		
Plains Exploration & Production Company <sup>(a)</sup> .....	21,150	766,265
Ultra Petroleum Corporation <sup>(a)</sup> .....	15,510	763,867
		<u>1,530,132</u>
<b>Financials — 14.8%</b>		
Brookfield Asset Management, Inc. - Class A .....	23,360	758,265
Fidelity National Financial, Inc. - Class A .....	74,515	1,052,897
Lazard Ltd. - Class A .....	14,945	621,413
Markel Corporation <sup>(a)</sup> .....	3,105	1,286,867
Safety Insurance Group, Inc. ....	22,170	1,022,259
Union First Market Bankshares Corporation .....	30,255	340,369
		<u>5,082,070</u>
<b>Health Care — 3.8%</b>		
Henry Schein, Inc. <sup>(a)</sup> .....	9,985	700,648
Laboratory Corporation of America Holdings <sup>(a)</sup> .....	6,500	598,845
		<u>1,299,493</u>
<b>Industrials — 18.7%</b>		
Acacia Research Corporation <sup>(a)</sup> .....	47,035	1,609,538
Babcock & Wilcox Company <sup>(a)</sup> .....	11,389	380,165
Cooper Industries plc .....	12,340	800,866
Foster Wheeler AG <sup>(a)</sup> .....	19,845	746,569
Republic Services, Inc. ....	24,930	748,897
Rockwell Collins, Inc. ....	13,630	883,633
RSC Holdings, Inc. <sup>(a)</sup> .....	38,620	555,355
Watsco, Inc. ....	10,125	705,814
		<u>6,430,837</u>
<b>Information Technology — 12.6%</b>		
Check Point Software Technologies Ltd. <sup>(a)</sup> .....	14,035	716,487
CoreLogic, Inc. ....	46,880	867,280
Fiserv, Inc. <sup>(a)</sup> .....	13,390	839,821
Intuit, Inc. <sup>(a)</sup> .....	16,470	874,557
NCR Corporation <sup>(a)</sup> .....	55,296	1,041,776
		<u>4,339,921</u>

# DAVENPORT EQUITY OPPORTUNITIES FUND

## SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 94.7% (Continued)	Shares	Value
<b>Materials — 3.9%</b>		
Albemarle Corporation .....	9,830	\$ 587,539
NewMarket Corporation .....	4,825	763,412
		<u>1,350,951</u>
<b>Telecommunication Services — 8.7%</b>		
American Tower Corporation - Class A <sup>(a)</sup> .....	14,945	774,450
Millicom International Cellular S.A. ....	15,985	1,537,277
Sprint Nextel Corporation <sup>(a)</sup> .....	149,970	695,861
		<u>3,007,588</u>
<b>Utilities — 4.1%</b>		
AES Corporation (The) <sup>(a)</sup> .....	55,185	717,405
ITC Holdings Corporation .....	10,050	702,495
		<u>1,419,900</u>
<b>Total Common Stocks</b> (Cost \$31,209,526) .....		<u>\$ 32,540,170</u>

MONEY MARKET FUNDS — 2.5%	Shares	Value
First American Treasury Obligations Fund - Class Z, 0.00% <sup>(b)</sup> (Cost \$866,058) .....	866,058	\$ 866,058
<b>Total Investments at Value — 97.2%</b> (Cost \$32,075,584) .....		\$ 33,406,228
<b>Other Assets in Excess of Liabilities — 2.8%</b> .....		<u>969,193</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 34,375,421</u>

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> Variable rate security. The rate shown is the 7-day effective yield as of March 31, 2011.

See accompanying notes to financial statements.

**THE DAVENPORT FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**March 31, 2011**

	<b>Davenport Core Fund</b>	<b>Davenport Value &amp; Income Fund</b>	<b>Davenport Equity Opportunities Fund</b>
<b>ASSETS</b>			
Investments in securities:			
At acquisition cost .....	\$ 123,815,011	\$ 44,087,244	\$ 32,075,584
At market value (Note 1) .....	\$ 158,696,919	\$ 45,316,684	\$ 33,406,228
Cash .....	—	2,808,044	1,805,841
Dividends receivable .....	150,792	99,754	10,951
Receivable for investment securities sold .....	3,129,169	—	—
Receivable for capital shares sold .....	759,650	3,137,673	842,704
Other assets .....	8,817	6,655	6,488
<b>TOTAL ASSETS</b> .....	<u>162,745,347</u>	<u>51,368,810</u>	<u>36,072,212</u>
<b>LIABILITIES</b>			
Payable for investment securities purchased ....	2,298,290	2,460,445	1,660,594
Payable for capital shares redeemed .....	417,638	32,947	5,000
Accrued investment advisory fees (Note 3) ....	111,262	31,132	24,833
Accrued administration fees (Note 3) .....	18,000	5,300	4,000
Accrued compliance fees (Note 3) .....	1,200	750	700
Other accrued expenses .....	4,509	7,706	1,664
<b>TOTAL LIABILITIES</b> .....	<u>2,850,899</u>	<u>2,538,280</u>	<u>1,696,791</u>
<b>NET ASSETS</b> .....	<u>\$ 159,894,448</u>	<u>\$ 48,830,530</u>	<u>\$ 34,375,421</u>
Net assets consist of:			
Paid-in capital .....	\$ 135,737,614	\$ 47,520,326	\$ 32,881,980
Undistributed net investment income .....	21,810	9,030	—
Accumulated net realized gains (losses) from security transactions .....	(10,746,884)	71,734	162,797
Net unrealized appreciation on investments .....	34,881,908	1,229,440	1,330,644
Net assets .....	<u>\$ 159,894,448</u>	<u>\$ 48,830,530</u>	<u>\$ 34,375,421</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.01 par value) .....	<u>11,645,986</u>	<u>4,651,554</u>	<u>3,207,695</u>
Net asset value, offering price and redemption price per share (Note 1) .....	<u>\$ 13.73</u>	<u>\$ 10.50</u>	<u>\$ 10.72</u>

See accompanying notes to financial statements.

**THE DAVENPORT FUNDS**  
**STATEMENTS OF OPERATIONS**  
**Year Ended March 31, 2011** <sup>(a)</sup>

	<b>Davenport Core Fund</b>	<b>Davenport Value &amp; Income Fund</b>	<b>Davenport Equity Opportunities Fund</b>
<b>INVESTMENT INCOME</b>			
Dividends .....	\$ 2,171,996	\$ 229,391	\$ 45,704
Foreign withholding taxes on dividends .....	(49,212)	—	(285)
Interest .....	33	—	—
<b>TOTAL INVESTMENT INCOME .....</b>	<u>2,122,817</u>	<u>229,391</u>	<u>45,419</u>
<b>EXPENSES</b>			
Investment advisory fees (Note 3) .....	1,017,360	53,111	40,175
Administration fees (Note 3) .....	190,932	13,493	12,052
Custodian and bank service fees .....	20,553	11,399	8,199
Registration fees .....	16,395	—	—
Professional fees .....	19,822	1,075	1,075
Trustees' fees and expenses .....	14,531	3,256	3,256
Compliance service fees (Note 3) .....	16,986	1,963	1,873
Insurance expense .....	12,680	—	—
Printing of shareholder reports .....	11,893	360	—
Postage and supplies .....	10,235	973	—
Other expenses .....	9,673	2,889	328
<b>TOTAL EXPENSES .....</b>	<u>1,341,060</u>	<u>88,519</u>	<u>66,958</u>
<b>NET INVESTMENT INCOME (LOSS) .....</b>	<u>781,757</u>	<u>140,872</u>	<u>(21,539)</u>
<b>REALIZED AND UNREALIZED GAINS ON INVESTMENTS</b>			
Net realized gains from security transactions ...	2,762,416	71,734	184,336
Net change in unrealized appreciation/ depreciation on investments .....	<u>15,587,706</u>	<u>1,229,440</u>	<u>1,330,644</u>
<b>NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS .....</b>	<u>18,350,122</u>	<u>1,301,174</u>	<u>1,514,980</u>
<b>NET INCREASE IN NET ASSETS FROM OPERATIONS .....</b>	<u>\$ 19,131,879</u>	<u>\$ 1,442,046</u>	<u>\$ 1,493,441</u>

<sup>(a)</sup> Except for Davenport Value & Income Fund and Davenport Equity Opportunities Fund, which represents the period from commencement of operations (December 31, 2010) through March 31, 2011.

See accompanying notes to financial statements.

# THE DAVENPORT FUNDS

## STATEMENTS OF CHANGES IN NET ASSETS

	Davenport Core Fund	
	Year Ended March 31, 2011	Year Ended March 31, 2010
<b>FROM OPERATIONS</b>		
Net investment income .....	\$ 781,757	\$ 872,940
Net realized gains (losses) from security transactions .....	2,762,416	(1,188,524)
Net change in unrealized appreciation/ depreciation on investments .....	15,587,706	42,183,572
Net increase in net assets from operations .....	<u>19,131,879</u>	<u>41,867,988</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	<u>(780,857)</u>	<u>(865,302)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	27,476,146	11,590,012
Net asset value of shares issued in reinvestment of distributions to shareholders .....	741,331	821,362
Payments for shares redeemed .....	<u>(19,335,638)</u>	<u>(13,110,640)</u>
Net increase (decrease) in net assets from capital share transactions .....	<u>8,881,839</u>	<u>(699,266)</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	27,232,861	40,303,420
<b>NET ASSETS</b>		
Beginning of year .....	132,661,587	92,358,167
End of year .....	<u>\$ 159,894,448</u>	<u>\$ 132,661,587</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ 21,810</u>	<u>\$ 20,910</u>
<b>CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	2,149,143	1,095,709
Shares reinvested .....	61,329	76,595
Shares redeemed .....	<u>(1,570,298)</u>	<u>(1,220,427)</u>
Net increase (decrease) in shares outstanding .....	640,174	(48,123)
Shares outstanding at beginning of year .....	11,005,812	11,053,935
Shares outstanding at end of year .....	<u>11,645,986</u>	<u>11,005,812</u>

See accompanying notes to financial statements.

**DAVENPORT VALUE & INCOME FUND**  
**DAVENPORT EQUITY OPPORTUNITIES FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**Period Ended March 31, 2011 <sup>(a)</sup>**

	<b>Davenport Value &amp; Income Fund</b>	<b>Davenport Equity Opportunities Fund</b>
<b>FROM OPERATIONS</b>		
Net investment income (loss) .....	\$ 140,872	\$ (21,539)
Net realized gains from security transactions .....	71,734	184,336
Net change in unrealized appreciation/ depreciation on investments .....	<u>1,229,440</u>	<u>1,330,644</u>
Net increase in net assets from operations .....	<u>1,442,046</u>	<u>1,493,441</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	<u>(131,842)</u>	<u>—</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	47,565,809	34,425,550
Net asset value of shares issued in reinvestment of distributions to shareholders .....	110,894	—
Payments for shares redeemed .....	<u>(156,377)</u>	<u>(1,543,570)</u>
Net increase in net assets from capital share transactions .....	<u>47,520,326</u>	<u>32,881,980</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	48,830,530	34,375,421
<b>NET ASSETS</b>		
Beginning of period .....	—	—
End of period .....	<u>\$ 48,830,530</u>	<u>\$ 34,375,421</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ 9,030</u>	<u>\$ —</u>
<b>CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	4,655,581	3,357,207
Shares reinvested .....	10,830	—
Shares redeemed .....	<u>(14,857)</u>	<u>(149,512)</u>
Net increase in shares outstanding .....	4,651,554	3,207,695
Shares outstanding at beginning of period .....	—	—
Shares outstanding at end of period .....	<u>4,651,554</u>	<u>3,207,695</u>

<sup>(a)</sup> Represents the period from commencement of operations (December 31, 2010) through March 31, 2011.

See accompanying notes to financial statements.

# DAVENPORT CORE FUND

## FINANCIAL HIGHLIGHTS

### Selected Per Share Data and Ratios for a Share Outstanding Throughout Each Year

	Years Ended March 31,				
	2011	2010	2009	2008	2007
Net asset value at beginning of year .....	\$ 12.05	\$ 8.36	\$ 13.82	\$ 14.75	\$ 13.99
Income (loss) from investment operations:					
Net investment income .....	0.07	0.08	0.11	0.10	0.10
Net realized and unrealized gains (losses) on investments .....	1.68	3.69	(5.17)	0.53	1.28
Total from investment operations .....	1.75	3.77	(5.06)	0.63	1.38
Less distributions:					
Dividends from net investment income ..	(0.07)	(0.08)	(0.11)	(0.10)	(0.10)
Distributions from net realized gains ....	—	—	(0.29)	(1.46)	(0.52)
Total distributions .....	(0.07)	(0.08)	(0.40)	(1.56)	(0.62)
Net asset value at end of year .....	\$ 13.73	\$ 12.05	\$ 8.36	\$ 13.82	\$ 14.75
Total return <sup>(a)</sup> .....	14.61%	45.20%	(36.85)%	3.44%	10.02%
Net assets at end of year (000's) .....	\$ 159,894	\$ 132,662	\$ 92,358	\$ 155,799	\$ 151,655
Ratio of expenses to average net assets ....	0.99%	1.00%	1.00%	0.96%	0.98%
Ratio of net investment income to average net assets .....	0.58%	0.75%	0.98%	0.60%	0.67%
Portfolio turnover rate .....	34%	25%	39%	37%	26%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

See accompanying notes to financial statements.

# DAVENPORT VALUE & INCOME FUND

## DAVENPORT EQUITY OPPORTUNITIES FUND

### FINANCIAL HIGHLIGHTS

Selected Per Share Data and Ratios for a Share Outstanding Throughout the Period Ended March 31, 2011 <sup>(a)</sup>

	Davenport Value & Income Fund	Davenport Equity Opportunities Fund
Net asset value at beginning of period .....	\$ 10.00	\$ 10.00
Income (loss) from investment operations:		
Net investment income (loss) .....	0.04	(0.01)
Net realized and unrealized gains on investments .....	0.49	0.73
Total from investment operations .....	<u>0.53</u>	<u>0.72</u>
Less distributions:		
Dividends from net investment income .....	(0.03)	—
Net asset value at end of period .....	<u>\$ 10.50</u>	<u>\$ 10.72</u>
Total return <sup>(b) (c)</sup> .....	<u>5.35%</u>	<u>7.20%</u>
Net assets at end of period (000's) .....	<u>\$ 48,831</u>	<u>\$ 34,375</u>
Ratio of total expenses to average net assets <sup>(d)</sup> .....	1.25%	1.25%
Ratio of net investment income (loss) to average net assets <sup>(d)</sup> .....	1.99%	(0.40)%
Portfolio turnover rate <sup>(c)</sup> .....	10%	6%

<sup>(a)</sup> Represents the period from commencement of operations (December 31, 2010) through March 31, 2011.

<sup>(b)</sup> Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

<sup>(c)</sup> Not annualized.

<sup>(d)</sup> Annualized.

See accompanying notes to financial statements.

# THE DAVENPORT FUNDS

## NOTES TO FINANCIAL STATEMENTS

### March 31, 2011

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#### 1. Organization and Significant Accounting Policies

Davenport Core Fund, Davenport Value & Income Fund and Davenport Equity Opportunities Fund (individually, a “Fund,” and, collectively, the “Funds”) are each a no-load, diversified series of the Williamsburg Investment Trust (the “Trust”), an open-end management investment company registered under the Investment Company Act of 1940. The Trust was organized as a Massachusetts business trust on July 18, 1988. Other series of the Trust are not incorporated in this report. Davenport Core Fund began operations on January 15, 1998. Davenport Value & Income Fund and Davenport Equity Opportunities Fund began operations on December 31, 2010.

Davenport Core Fund’s investment objective is long term growth of capital.

Davenport Value & Income Fund’s investment objective is to achieve long term growth while generating current income through dividend payments on portfolio securities.

Davenport Equity Opportunities Fund’s investment objective is long term capital appreciation.

The following is a summary of the Funds’ significant accounting policies:

**Securities valuation** — The Funds’ portfolio securities are valued as of the close of business of the regular session of the New York Stock Exchange (normally 4:00 p.m., Eastern time). Securities traded on a national stock exchange are valued based upon the closing price on the principal exchange where the security is traded. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities which are traded over-the-counter are valued at the last sales price, if available, otherwise, at the last quoted bid price. Fixed income securities will ordinarily be traded in the over-the-counter market and common stocks will ordinarily be traded on a national securities exchange, but may also be traded in the over-the-counter market. Short-term instruments (those with remaining maturities of 60 days or less) may be valued at amortized cost, which approximates market value.

When market quotations are not readily available, securities may be valued on the basis of prices provided by an independent pricing service. The prices provided by the pricing service are determined with consideration given to institutional bid and last sale prices and take into account securities prices, yields, maturities, call features, ratings, institutional trading in similar groups of securities and developments related to specific securities. If a pricing service cannot provide a valuation, securities will be valued in good faith at fair value using methods consistent with those determined by the Board of Trustees and will be classified as Level 2 or 3 within the fair value hierarchy, depending on the inputs used. Such methods of fair valuation may include, but are not limited to: multiple of earnings, multiple of book value, discount from market of a similar freely traded security, purchase price of the security, subsequent private transactions in the security or related securities, or a combination of these and other factors.

Accounting principles generally accepted in the United States (“GAAP”) establish a single authoritative definition of fair value, set out a framework for measuring fair value and require additional disclosures about fair value measurements.

# THE DAVENPORT FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

Various inputs are used in determining the value of the Funds' investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs
- Level 3 – significant unobservable inputs

For example, U.S. Government Agency Obligations held by the Funds are classified as Level 2 since values are based on prices provided by an independent pricing service that utilizes various "other significant observable inputs" including bid and ask quotations, prices of similar securities and interest rates, among other factors.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

The following is a summary of the inputs used to value the Funds' investments as of March 31, 2011 by security type:

Davenport Core Fund	Level 1	Level 2	Level 3	Total
Common Stocks .....	\$ 152,301,016	\$ —	\$ —	\$ 152,301,016
U.S. Government Agency Obligations .....	—	1,399,992	—	1,399,992
Money Market Funds .....	4,995,911	—	—	4,995,911
Total .....	<u>\$ 157,296,927</u>	<u>\$ 1,399,992</u>	<u>\$ —</u>	<u>\$ 158,696,919</u>

Davenport Value & Income Fund	Level 1	Level 2	Level 3	Total
Common Stocks .....	\$ 42,887,345	\$ —	\$ —	\$ 42,887,345
Closed-End Funds .....	1,339,613	—	—	1,339,613
Money Market Funds .....	1,089,726	—	—	1,089,726
Total .....	<u>\$ 45,316,684</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 45,316,684</u>

Davenport Equity Opportunities Fund	Level 1	Level 2	Level 3	Total
Common Stocks .....	\$ 32,540,170	\$ —	\$ —	\$ 32,540,170
Money Market Funds .....	866,058	—	—	866,058
Total .....	<u>\$ 33,406,228</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 33,406,228</u>

Refer to each Fund's Schedules of Investments for a listing of the securities valued using Level 1 inputs by sector type. During the year ended March 31, 2011, the Funds did not have any significant transfers in and out of Level 1 or Level 2. There were no Level 3 securities or derivative instruments held by the Funds during the year ended or as of March 31, 2011.

# THE DAVENPORT FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

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Repurchase agreements — The Funds may enter into repurchase agreements. The repurchase agreement, which is collateralized by U.S. Government obligations, is valued at cost which, together with accrued interest, approximates market. At the time the Funds enter into the repurchase agreement, the Fund takes possession of the underlying securities and the seller agrees that the value of the underlying securities, including accrued interest, will at all times be equal to or exceed the face amount of the repurchase agreement. In addition, the Funds actively monitor and seek additional collateral, as needed. If the seller defaults, the fair value of the collateral may decline and realization of the collateral by the Funds may be delayed or limited.

Share valuation — The net asset value per share of each Fund is calculated daily by dividing the total value of its assets, less liabilities, by the number of shares outstanding. The offering price and redemption price per share of each Fund is equal to the net asset value per share.

Investment income — Interest income is accrued as earned. Dividend income is recorded on the ex-dividend date. Discounts and premiums on fixed-income securities purchased are amortized using the interest method.

Security transactions — Security transactions are accounted for on trade date. Gains and losses on securities sold are determined on a specific identification basis.

Common expenses — Common expenses of the Trust are allocated among the funds within the Trust based on relative net assets of each fund or the nature of the services performed and the relative applicability to each fund.

Distributions to shareholders — Dividends arising from net investment income are declared and paid quarterly to shareholders of Davenport Core Fund and Davenport Value & Income Fund; and declared and paid annually to shareholders of Davenport Equity Opportunities Fund. Net realized short-term capital gains, if any, may be distributed throughout the year and net realized long-term capital gains, if any, are distributed at least once each year. The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations which may differ from GAAP. Dividends and distributions are recorded on the ex-dividend date. The tax character of distributions paid during the years ended March 31, 2011 and March 31, 2010 by Davenport Core Fund was ordinary income. The tax character of distributions paid during the period ended March 31, 2011 by Davenport Value & Income Fund was ordinary income. There were no distributions paid to shareholders during the period ended March 31, 2011 by Davenport Equity Opportunities Fund.

Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

# THE DAVENPORT FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

Federal income tax — It is each Fund’s policy to comply with the special provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. As provided therein, in any fiscal year in which a Fund so qualifies and distributes at least 90% of its taxable net income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also each Fund’s intention to declare as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts from prior years.

The following information is computed on a tax basis for each item as of March 31, 2011:

	Davenport Core Fund	Davenport Value & Income Fund	Davenport Equity Opportunities Fund
Cost of portfolio investments .....	\$ 124,162,858	\$ 44,087,244	\$ 32,075,584
Gross unrealized appreciation .....	\$ 36,621,266	\$ 1,717,712	\$ 1,704,122
Gross unrealized depreciation .....	(2,087,205)	(488,272)	(373,478)
Net unrealized appreciation .....	34,534,061	1,229,440	1,330,644
Undistributed ordinary income .....	21,810	80,764	162,797
Capital loss carryforward .....	(10,399,037)	—	—
Total distributable earnings .....	<u>\$ 24,156,834</u>	<u>\$ 1,310,204</u>	<u>\$ 1,493,441</u>

The difference between the federal income tax cost and the financial statement cost for Davenport Core Fund is due to certain timing differences in the recognition of capital gains and losses under income tax regulations and GAAP. These timing differences are temporary in nature and are due to the tax deferral of losses on wash sales.

During the year ended March 31, 2011, Davenport Core Fund utilized capital loss carryforwards of \$2,805,945 to offset current year net realized gains.

As of March 31, 2011, Davenport Core Fund had a capital loss carryforward of \$10,399,037 which expires March 31, 2018. This capital loss carryforward may be utilized in future years to offset net realized capital gains, if any, prior to distributing such gains to shareholders.

For the period ended March 31, 2011, Davenport Equity Opportunities Fund reclassified \$21,539 of net investment loss against accumulated net realized gains from security transactions on the Statements of Assets and Liabilities. Such reclassification, the result of permanent differences between the financial statement and income tax reporting requirements, has no effect on the Fund’s net assets or net asset value per share.

# THE DAVENPORT FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

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The Funds recognize the tax benefits or expenses of uncertain tax positions only when the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has reviewed the tax positions taken on Federal income tax returns for all applicable open tax years (tax years ended March 31, 2008 through March 31, 2011) of each Fund and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements.

### 2. Investment Transactions

During the year ended March 31, 2011, the cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments and U.S. Government securities, totaled \$47,100,478 and \$44,547,300, respectively, for Davenport Core Fund; \$46,317,972 and \$3,392,188, respectively, for Davenport Value & Income Fund; and \$32,583,719 and \$1,558,528, respectively, for Davenport Equity Opportunities Fund.

### 3. Transactions with Affiliates

#### INVESTMENT ADVISORY AGREEMENT

Each Fund’s investments are managed by Davenport & Company LLC (the “Adviser”) under the terms of an Investment Advisory Agreement. Under the Investment Advisory Agreement, each Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at an annual rate of .75% on its average daily net assets.

Certain officers of the Trust are also officers of the Adviser.

#### MUTUAL FUND SERVICES AGREEMENT

Under the terms of a Mutual Fund Services Agreement between the Trust and Ultimus Fund Solutions, LLC (“Ultimus”), Ultimus provides administrative, pricing, accounting, dividend disbursing, shareholder servicing and transfer agent services for the Funds. For these services, Ultimus receives a monthly fee from each Fund at an annual rate of .15% on its average daily net assets up to \$25 million, .125% on the next \$25 million of such assets and .10% on such assets in excess of \$50 million, subject to a minimum monthly fee of \$4,000, plus a shareholder recordkeeping fee at the annual rate of \$10 per shareholder account in excess of 1,000 accounts. In addition, the Funds pay out-of-pocket expenses including, but not limited to, postage, supplies and costs of pricing the Funds’ portfolio securities.

Certain officers of the Trust are also officers of Ultimus, or of Ultimus Fund Distributors, LLC (the “Distributor”), the principal underwriter of the Funds’ shares and an affiliate of Ultimus. The Distributor receives no compensation from the Funds for acting as principal underwriter.

#### COMPLIANCE CONSULTING AGREEMENT

Under the terms of a Compliance Consulting Agreement between the Trust and Ultimus, Ultimus provides an individual to serve as the Trust’s Chief Compliance Officer and to administer the Trust’s compliance policies and procedures. For these services, the Funds pay Ultimus an annual base fee of \$18,600 plus an asset-based fee equal to 0.01% per annum on the Funds’ average net assets in excess of \$100 million. In addition, the Funds reimburse Ultimus for any reasonable out-of-pocket expenses, if any, incurred in providing these services.

# THE DAVENPORT FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

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### **4. Contingencies and Commitments**

The Funds indemnify the Trust's officers and Trustees for certain liabilities that might arise from their performance of their duties to the Funds. Additionally, in the normal course of business the Funds enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

### **5. Subsequent Events**

The Funds are required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statements of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Funds are required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements and has noted no such events.

# THE DAVENPORT FUNDS

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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The Board of Trustees and Shareholders of  
The Davenport Core Fund,  
The Davenport Value & Income Fund, and  
The Davenport Equity Opportunities Fund of the Williamsburg Investment Trust

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of The Davenport Funds, comprised of The Davenport Core Fund, The Davenport Value & Income Fund and The Davenport Equity Opportunities Fund (the "Funds") (each a series of the Williamsburg Investment Trust) as of March 31, 2011, and the related statements of operations for the year or period then ended, and the statements of changes in net assets and the financial highlights for each of the years or periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of March 31, 2011, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the respective Funds comprising The Davenport Funds at March 31, 2011, the results of its operations for the year or period then ended, and the changes in their net assets and the financial highlights for each of the years or periods in the period then ended indicated above, in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

Cincinnati, Ohio  
May 20, 2011

# THE DAVENPORT FUNDS

## BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

### (Unaudited)

Overall responsibility for management of the Funds rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Funds. The officers have been elected for an annual term. The following are the Trustees and executive officers of the Funds:

Trustee	Address	Age	Position Held with the Trust	Length of Time Served
* Charles M. Caravati, Jr.	931 Broad Street Road Manakin-Sabot, VA	74	Chairman and Trustee	Since June 1991
* Austin Brockenbrough III	1802 Bayberry Court, Suite 400 Richmond, VA	74	Trustee	Since September 1988
* John T. Bruce	800 Main Street Lynchburg, VA	57	Trustee	Since September 1988
Robert S. Harris	100 Darden Boulevard Charlottesville, VA	61	Trustee	Since January 2007
J. Finley Lee, Jr.	448 Pond Apple Drive North Naples, FL	71	Trustee	Since September 1988
Richard L. Morrill	University of Richmond Richmond, VA	71	Trustee	Since March 1993
Harris V. Morrisette	100 Jacintoport Boulevard Saraland, AL	51	Trustee	Since March 1993
Samuel B. Witt III	302 Clovelly Road Richmond, VA	75	Trustee	Since November 1988
John P. Ackerly IV	One James Center 901 E. Cary Street Richmond, VA	47	President	Since November 1997
I. Lee Chapman, IV	One James Center 901 E. Cary Street Richmond, VA	40	Vice President	Since November 2010
George L. Smith, III	One James Center 901 E. Cary Street Richmond, VA	35	Vice President	Since February 2011
Robert G. Dorsey	225 Pictoria Drive, Suite 450 Cincinnati, OH	54	Vice President	Since November 2000
Mark J. Seger	225 Pictoria Drive, Suite 450 Cincinnati, OH	49	Treasurer	Since November 2000
Tina H. Bloom	225 Pictoria Drive, Suite 450 Cincinnati, OH	42	Secretary and Chief Compliance Officer	Since August 2006

\* Messrs. Bruce and Brockenbrough, as affiliated persons of investment advisers to the Trust, are “interested persons” of the Trust within the meaning of Section 2(a)(19) of the Investment Company Act of 1940. Charles M. Caravati, Jr. is the father of Charles M. Caravati III, an officer of The Jamestown Funds, which are other portfolios of the Trust.

# THE DAVENPORT FUNDS

## BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

### (Unaudited) (Continued)

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Each Trustee oversees eleven portfolios of the Trust, including the Funds. The principal occupations of the Trustees and executive officers of the Funds during the past five years and public directorships held by the Trustees are set forth below:

Charles M. Caravati, Jr. is a retired physician. He is also the retired President of Dermatology Associates of Virginia, P.C.

Austin Brockenbrough III is President and Managing Director of Lowe, Brockenbrough & Company, Inc. (an investment advisory firm). He is a member of the Board of Directors of Tredegar Corporation (a plastics manufacturer) and Wilkinson O'Grady & Co., Inc. (a global asset manager).

John T. Bruce is a President, Director and member of the Executive Committee of Flippin, Bruce & Porter, Inc. (an investment advisory firm).

Robert S. Harris is the C. Stewart Sheppard Professor of Business Administration at The Darden Graduate School of Business Administration at the University of Virginia. He was previously the dean at Darden. Professor Harris has published widely on corporate finance, financial markets and mergers and acquisitions and has served as a consultant to corporations and government agencies.

J. Finley Lee, Jr. is the retired Julian Price Professor Emeritus at the University of North Carolina.

Richard L. Morrill serves as President of the Teagle Foundation (charitable foundation) and Chancellor of the University of Richmond. He is also a member of the Board of Directors of Tredegar Corporation and Albemarle Corporation (specialty chemical manufacturer).

Harris V. Morrissette is President of China Doll Rice and Beans Inc. and Dixie Lily Foods. He is a member of the Board of Directors of BancTrust Financial Group, Inc. (a bank holding company) and International Shipholding Corporation (cargo transportation). In addition, he is Chairman of Azalea Aviation, Inc. (an airplane fueling company).

Samuel B. Witt III is the retired Senior Vice President and General Counsel of Stateside Associates, Inc. He is also a member of the Board of Directors of The Swiss Helvetia Fund, Inc. (a closed-end investment company).

John P. Ackerly IV is Senior Vice President and Portfolio Manager of the Adviser.

I. Lee Chapman, IV is Senior Vice President and Portfolio Manager of the Adviser.

George L. Smith, III is Senior Vice President and Portfolio Manager of the Adviser.

Robert G. Dorsey is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

Mark J. Seger is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

Tina H. Bloom is Director of Fund Administration of Ultimus Fund Solutions, LLC.

Additional information about members of the Board of Trustees and executive officers is available in the Statement of Additional Information ("SAI"). To obtain a free copy of the SAI, please call 1-800-281-3217.

# THE DAVENPORT FUNDS

## YOUR FUND'S EXPENSES (Unaudited)

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We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Funds, you incur ongoing costs, including management fees and other expenses. These ongoing costs, which are deducted from each Fund's gross income, directly reduce the investment return of the Funds.

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The examples below are based on an investment of \$1,000 made at the beginning of the most recent semi-annual period (October 1, 2010 for Davenport Core Fund and December 31, 2010 for Davenport Value & Income Fund and Davenport Equity Opportunities Fund) and held until the end of the period (March 31, 2011).

The table below illustrates each Fund's ongoing costs in two ways:

**Actual fund return** – This section helps you to estimate the actual expenses that you paid over the period. The “Ending Account Value” shown is derived from each Fund's actual return, and the third column shows the dollar amount of operating expenses that would have been paid by an investor who started with \$1,000 in the Funds. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for the Funds under the heading “Expenses Paid During Period.”

**Hypothetical 5% return** – This section is intended to help you compare each Fund's ongoing costs with those of other mutual funds. It assumes that each Fund had an annual return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is not each Fund's actual return, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission (“SEC”) requires all mutual funds to calculate expenses based on a 5% return. You can assess each Fund's ongoing costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The Funds do not charge transaction fees, such as purchase or redemption fees, nor do they carry a “sales load.”

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about each Fund's expenses, including historical annual expense ratios, can be found in this report. For additional information on operating expenses and other shareholder costs, please refer to the Funds' prospectus.

# THE DAVENPORT FUNDS

## YOUR FUND'S EXPENSES (Unaudited) (Continued)

<b>Davenport Core Fund</b>	<b>Beginning Account Value October 1, 2010</b>	<b>Ending Account Value March 31, 2011</b>	<b>Expenses Paid During Period*</b>
Based on Actual Fund Return .....	\$1,000.00	\$1,156.10	\$5.32
Based on Hypothetical 5% Return (before expenses) .	\$1,000.00	\$1,020.00	\$4.99

\* Expenses are equal to the Fund's annualized expense ratio of 0.99% for the period, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

<b>Davenport Value &amp; Income Fund</b>	<b>Beginning Account Value December 31, 2010</b>	<b>Ending Account Value March 31, 2011</b>	<b>Expenses Paid During Period*</b>
Based on Actual Fund Return .....	\$1,000.00	\$1,053.50	\$3.20

\* Expenses are equal to the Fund's annualized expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 91/365 (to reflect the period since inception).

<b>Davenport Value &amp; Income Fund</b>	<b>Beginning Account Value October 1, 2010</b>	<b>Ending Account Value March 31, 2011</b>	<b>Expenses Paid During Period*</b>
Based on Hypothetical 5% Return (before expenses) .	\$1,000.00	\$1,018.70	\$6.29

\* Expenses are equal to the Fund's annualized expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

<b>Davenport Equity Opportunities Fund</b>	<b>Beginning Account Value December 31, 2010</b>	<b>Ending Account Value March 31, 2011</b>	<b>Expenses Paid During Period*</b>
Based on Actual Fund Return .....	\$1,000.00	\$1,072.00	\$3.23

\* Expenses are equal to the Fund's annualized expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 91/365 (to reflect the period since inception).

<b>Davenport Equity Opportunities Fund</b>	<b>Beginning Account Value October 1, 2010</b>	<b>Ending Account Value March 31, 2011</b>	<b>Expenses Paid During Period*</b>
Based on Hypothetical 5% Return (before expenses) .	\$1,000.00	\$1,018.70	\$6.29

\* Expenses are equal to the Fund's annualized expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

## **THE DAVENPORT FUNDS**

### **OTHER INFORMATION (Unaudited)**

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A description of the policies and procedures that the Funds use to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-800-281-3217, or on the SEC's website at <http://www.sec.gov>. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free 1-800-281-3217, or on the SEC's website at <http://www.sec.gov>.

The Trust files a complete listing of portfolio holdings for the Funds with the SEC as of the first and third quarters of each fiscal year on Form N-Q. These filings are available upon request by calling 1-800-281-3217. Furthermore, you may obtain a copy of these filings on the SEC's website at <http://www.sec.gov>. The Trust's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A complete listing of portfolio holdings for the Funds is updated daily and can be reviewed at the Funds' website at <http://www.investdavenport.com>.

## **FEDERAL TAX INFORMATION (Unaudited)**

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For the fiscal year ended March 31, 2011, certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. Davenport Core Fund intends to designate up to a maximum amount of \$780,857 as taxed at a maximum rate of 15%. Davenport Value & Income Fund intends to designate up to a maximum amount of \$131,842 as taxed at a maximum rate of 15%. For the fiscal year ended March 31, 2011, 100% of the dividends paid from ordinary income by the Funds qualified for the dividends received deduction for corporations. Complete information will be computed and reported in conjunction with your 2011 Form 1099-DIV.

# THE DAVENPORT FUNDS

## DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS

### (Unaudited)

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#### *Davenport Core Fund*

At an in-person meeting held on February 8, 2011, the Board of Trustees, including a majority of the Independent Trustees, approved the continuance for a one-year period of the Investment Advisory Agreement with the Adviser on behalf of Davenport Core Fund (the “Core Fund”). Below is a discussion of the factors considered by the Board of Trustees along with the conclusions with respect thereto that formed the basis for the Board’s approval.

In selecting the Adviser and approving the continuance of the Investment Advisory Agreement, the Trustees considered all information they deemed reasonably necessary to evaluate the terms of the Agreement. The principal areas of review by the Trustees were the nature, extent and quality of the services provided by the Adviser and the reasonableness of the fees charged for those services. These matters were considered by the Independent Trustees consulting with experienced counsel for the Independent Trustees, who is independent of the Adviser.

The Trustees’ evaluation of the quality of the Adviser’s services took into account their knowledge and experience gained through meetings with and reports of the Adviser’s senior management over the course of the preceding year. Both short-term and long-term investment performance of the Fund was considered. The Core Fund’s performance was compared to its performance benchmark and to that of competitive funds with similar investment objectives and to the Adviser’s comparably managed private accounts. The Trustees also considered the scope and quality of the in-house capabilities of the Adviser and other resources dedicated to performing services for the Core Fund. The quality of administrative and other services, including the Adviser’s role in coordinating the activities of the Core Fund’s other service providers, were considered in light of the Fund’s compliance with investment policies and applicable laws and regulations and of related reports by management and the Fund’s independent public accounting firm in periodic meetings with the Trust’s Audit Committee. The Trustees also considered the business reputation of the Adviser, the qualifications of its key investment and compliance personnel, and its financial resources.

In reviewing the fees payable under the Investment Advisory Agreement, the Trustees compared the advisory fees and overall expense levels of the Core Fund with those of competitive funds with similar investment objectives as well as the private accounts managed by the Adviser. The Trustees considered information provided by the Adviser concerning the Adviser’s profitability with respect to the Core Fund, including the assumptions and methodology used in preparing the profitability information, in light of applicable case law relating to advisory fees. For these purposes, the Trustees took into account not only the fees paid by the Core Fund, but also so-called “fallout” benefits to the Adviser. The Trustees also considered the fact that all of the Core Fund’s portfolio trades were executed by the Adviser at no cost to the Fund. In evaluating the Core Fund’s advisory fees, the Trustees took into account the complexity and quality of the investment management of the Fund.

# THE DAVENPORT FUNDS

## DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS

### (Unaudited) (Continued)

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Based upon their review of this information, the Independent Trustees concluded that: (i) based on the performance of the Core Fund, which exceeded the returns of its primary benchmark (the S&P 500 Index) and the Lipper average for comparably managed funds for the one year, three year, five year and ten year periods ended December 31, 2010, and the other services provided to shareholders, the Adviser has provided quality services to the Fund; (ii) although the advisory fees payable to the Adviser are in the higher range of fees for other comparably managed funds, the Independent Trustees believe the fees to be reasonable given the scope and quality of services provided by the Adviser and the resources that are dedicated to its investment process; (iii) the total operating expense ratio of the Core Fund is lower than the average expense ratio for comparably managed funds, according to statistics derived from Morningstar, Inc., and (iv) the Adviser has further benefited the Fund's shareholders by executing portfolio transactions at no cost to the Fund.

Given the current size of the Core Fund and its expected growth, the Independent Trustees did not believe that at the present time it would be relevant to consider the extent to which economies of scale would be realized as the Fund grows, and whether fee levels reflect these economies of scale. The Independent Trustees also considered the "fallout" benefits to, and the profitability of, the Adviser with respect to the Core Fund, but given the amounts involved viewed these as secondary factors in connection with the evaluation of the reasonableness of the advisory fees paid by the Fund.

No single factor was considered in isolation or to be determinative to the decision of the Trustees to approve continuance of the Investment Advisory Agreement. Rather the Trustees concluded, in light of a weighing and balancing of all factors considered, that it was in the best interests of the Core Fund and its shareholders to continue the Investment Advisory Agreement without modification to its terms, including the fees charged for services thereunder.

#### *Davenport Value & Income Fund and Davenport Equity Opportunities Fund*

The Board of Trustees, including the Independent Trustees voting separately, reviewed and approved Investment Advisory Agreements with the Adviser on behalf of Davenport Value & Income Fund (the "Value & Income Fund") and Davenport Equity Opportunities Fund (the "Equity Opportunities Fund" and, together with the Value & Income Fund, the "New Davenport Funds") at an in-person meeting held on November 22, 2010. The Trustees were advised by independent counsel of their fiduciary obligations in approving the Investment Advisory Agreements and the Trustees requested such information from the Adviser as they deemed reasonably necessary to evaluate the terms of the Investment Advisory Agreements and whether the Agreements are in the best interests of the New Davenport Funds.

The Trustees considered the investment objective of the Value & Income Fund and were informed by the Adviser that the Value & Income Fund will be modeled after the "Value & Income" strategy that has been used by the Adviser to manage separate accounts since December 31, 2001. The Trustees reviewed reports describing the portfolio strategies, current portfolio holdings,

# **THE DAVENPORT FUNDS**

## **DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS**

### **(Unaudited) (Continued)**

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current sector weightings, and risk characteristics of the Adviser's Value & Income composite. They also reviewed the historical returns of the Value & Income composite for various periods ended September 30, 2010 and compared those returns to relevant indices. The Trustees noted that the Value & Income composite has performed well relative to both the S&P 500 Index and the Lipper Equity Income Fund Index. They took into account that the Value & Income Fund will be managed by the Adviser's Investment Policy Committee, which is also responsible for managing the Core Fund.

The Trustees then reviewed the investment objective and principal investment strategies of the Equity Opportunities Fund. The Adviser informed the Trustees that the Equity Opportunities Fund will be managed according to the Adviser's "Mid Cap" strategy, which attempts to identify small to medium-sized companies that have the potential for above average, long-term returns. The Trustees considered the security selection process for the Equity Opportunities Fund and noted that the Fund will not be limited to a particular investment style (i.e., "growth" or "value"), nor will it typically be as widely diversified as the Core Fund or the Value & Income Fund. The Trustees reviewed reports showing the current sector weightings and portfolio holdings for the Adviser's "Mid-Cap" investment strategy. They also reviewed the historical performance of the Adviser's Mid Cap composite as compared to relevant indices and the Mid Cap composite's historical volatility as measured by several statistics. The Trustees reviewed the background, education and experience of Messrs. George L. Smith, III and I. Lee Chapman, IV, who will manage the Equity Opportunities Fund on a day-to-day basis, subject to the oversight of the Adviser's Investment Policy Committee.

The Trustees were provided with copies of the proposed Investment Advisory Agreements for the New Davenport Funds and reviewed the services provided by the Adviser and the responsibilities of the Adviser under such Agreements. The Adviser proposed that the advisory fee for each of the New Davenport Funds be 0.75% per annum of its average daily net assets, and the Trustees noted that this is the same advisory fee rate paid by the Core Fund.

The Trustees evaluated and discussed the background, duties and responsibilities of the members of the Adviser's Investment Policy Committee and other personnel who will perform services for the New Davenport Funds; the financial condition of the Adviser as of August 31, 2010 and its insurance coverage; the Adviser's projected profitability from the Investment Advisory Agreements; the proposed advisory fees for each of the New Davenport Funds as compared to similarly managed mutual funds and the Adviser's comparably managed separate accounts; the New Davenport Funds' projected expense ratios as compared to similarly managed mutual funds; the Adviser's plans for marketing and distributing shares of the New Davenport Funds; and the indirect benefits that the Adviser expects to receive as a result of the Investment Advisory Agreements. The Adviser represented that it has no revenue sharing arrangements with financial intermediaries, as the New Davenport Funds will be sold exclusively through registered representatives of the Adviser. The Trustees discussed the nature, extent and quality of the services to be provided by the Adviser and noted that they are familiar with the Adviser's qualifications

# **THE DAVENPORT FUNDS**

## **DISCLOSURE REGARDING APPROVAL OF**

### **INVESTMENT ADVISORY AGREEMENTS**

#### **(Unaudited) (Continued)**

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and responsibilities as a mutual fund investment manager and that the Adviser has established a history of care and consistency in its investment approach. The Trustees were mindful that the investment processes that will be used by the Adviser in managing each of the New Davenport Funds are similar to those used to manage certain of the Adviser's separately managed accounts. They indicated that, having reviewed detailed information about the performance results and investment processes for such separately managed accounts, they are satisfied with the Adviser's investment approach and performance results. The Board concluded that it was satisfied with the nature, extent and quality of the investment advisory services that will be provided by the Adviser to each of the New Davenport Funds.

After considering the comparative information regarding advisory fees and expense ratios for the Morningstar universe of Large Cap Value funds (with respect to the Value & Income Fund) and Mid Cap Blend funds (with respect to the Equity Opportunities Fund), it was the consensus of the Trustees that the proposed investment advisory fees and projected total expense ratios for the New Davenport Funds are reasonable as compared to the average fees and expense ratios of similarly situated funds. The Board concluded that the proposed advisory fee for each of the New Davenport Funds is reasonable in relation to the nature of the investment programs and the level of services to be provided by the Adviser.

No single factor was considered in isolation or to be determinative to the decision of the Trustees to approve the Investment Advisory Agreements. Rather, the Trustees concluded, in light of a weighing and balancing of all factors considered, that approval of the Investment Advisory Agreements would be in the best interests of the Value & Income Fund and the Equity Opportunities Fund.

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## **THE DAVENPORT FUNDS**

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Robert S. Harris  
J. Finley Lee, Jr.  
Richard L. Morrill  
Harris V. Morrisette  
Samuel B. Witt III

### **Officers**

John P. Ackerly IV, President  
I. Lee Chapman IV, Vice President  
George L. Smith, III, Vice President

# DAVENPORT

ASSET MANAGEMENT

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