

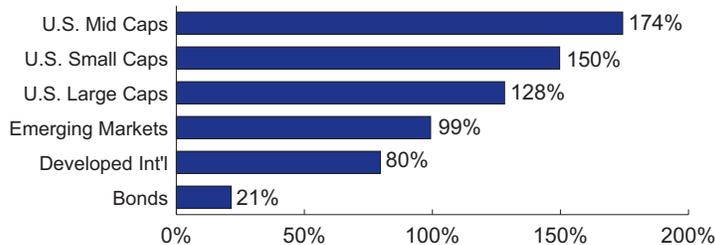
FundAdvisor Quarterly Update Q4 2013

from Davenport Asset Management December 31, 2013

The Year In Review

What an incredible year for the stock market! Despite constant headwinds that included U.S. budget deadlines, a government shutdown, ongoing China fears, and the onset of Federal Reserve System (Fed) tapering, the S&P 500 Index gained over 32% in 2013, making it the best year since 1997. Jeffrey Saut of Raymond James recently noted, "The equity markets do not care about the absolutes of good or bad, but rather are things getting better or worse" and economic conditions around the globe appear to be getting better. In fact, 2014 is expected to be the first year since the economic crisis that the U.S., Japan, Europe, and the emerging markets will all post positive Gross Domestic Product (GDP) growth. As the recovery has matured, most asset classes have now posted impressive 5-year returns, including a 22.36% annualized return (174.28% cumulative) for mid cap stocks, as represented by the Russell Midcap Index, and a 17.94% annualized return (128.19% cumulative) for the S&P 500.

5-Year Cumulative Returns By Asset Class



As of 12/31/13; Source: Morningstar Direct. See Disclosures for index definitions*

What Worked In 2013:

1. International manager change: The decision we made a few years ago to diversify among international managers by reducing Thornburg International Value and adding Dodge & Cox International has worked in our favor. In 2013, Dodge & Cox was among the best performing international funds in the industry, returning over 26%.

2. U.S. large cap fund outperformance: Two of the U.S. large cap funds that we added in the last couple of years gained over 36% in 2013 (see page 2 for fund performance). These funds highlight our desire to uncover truly active managers with fairly concentrated positions and relatively low turnover, an investment strategy that we think will work well over the long term.

3. Reducing interest rate risk: In March of this year, we overhauled the bond portion of all FundAdvisor models to reduce the sensitivity to rising interest rates. Since then, the 10-year Treasury rate has increased from 1.95% to 3.03% while the Barcap Intermediate Gov't/Credit Index declined by 0.82%. The bond allocations in FundAdvisor gained 0.83% over the same time period.

What Didn't:

1. Emerging markets: The emerging markets were the weak spot of the equity markets in 2013 and the MSCI Emerging Markets Index lost 2.60% in a year when most equity categories gained more than 20%. Although economic growth in many of those countries remains relatively strong, the pace of GDP growth

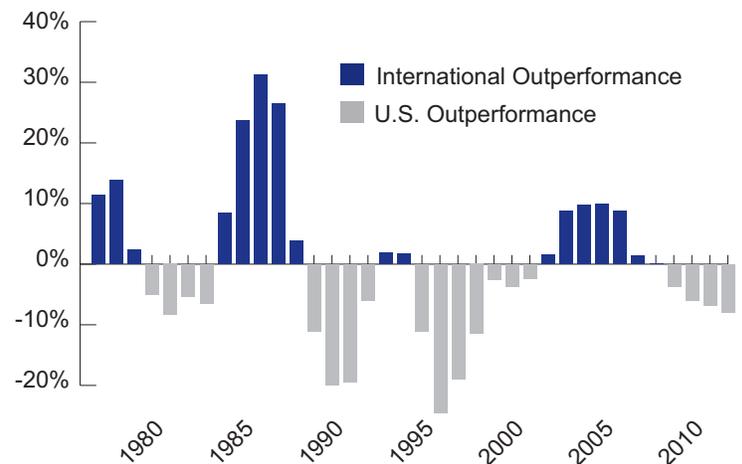
has been slowing over the course of the year. In addition, the rise in U.S. interest rates took a major toll on emerging market currencies that ultimately impacted returns. This could be an ongoing headwind in the near term but may have also created good long-term valuation opportunities.

2. Royce Value: Our ongoing due diligence and monitoring practices have resulted in the Royce Value Fund being placed on watch as it has undergone a slight shift in management on the heels of an extended period of underperformance. However, the fund gained 28.06% in 2013. We know that even the best managers go through these types of periods and try our best not to make knee jerk reactions to performance. We continue to believe that Royce is one of the best small cap investment firms in the industry, but will continue to closely monitor the situation.

Now What?

Howard Marks of Oaktree Capital has been quoted as saying that, with respect to investing, "there are two concepts we can hold to with confidence...one, most things will prove to be cyclical" and "...two, some of the greatest opportunities for gain and loss come when other people forget rule number one". At the moment, we believe this is applicable to the cyclical relationship between U.S. and international stock returns. The chart below shows a clearly cyclical pattern and that international markets have trailed U.S. stocks for more than 5 years.

The Cycle of International Returns



Performance shows 3-year return of the MSCI EAFE Index minus 3-year return of the S&P 500 Index annually from 1978-2013
Source: Zephyr StyleADVISOR. See Disclosures for important information.
Performance shown is historical and is no guarantee of future results.

We think this could create good long-term opportunities as those economies continue to heal and move in the right direction. Moving forward, we will likely maintain our emerging market exposure and recently added a position in mid cap developed market international stocks to further capture the growth and improving sentiment in the international markets. Here in the U.S., recent returns are clearly well ahead of historical norms and the S&P 500 has now gone 565 trading days without a 10%+ correction. While there have been longer streaks in the past, this could suggest the possibility of some upcoming period of weakness. At the very least, we would certainly expect the pace of gains to moderate as we move into 2014.

Returns

as of December 31, 2013 *Returns greater than 1 year are annualized

Fund / Index Name	Rolling Returns					Fund / Index Performance at Net Asset Value**					Expense Ratio	
	Avg 1 Year	Avg 3 Year	Avg 5 Year	Up Capture	Down Capture	YTD	1 Year	3 Years*	5 Years*	10 Years*	Gross	Net
Large Cap												
American Funds AMCAP F2	8.71	5.69	3.36	98.61	93.93	37.10	37.10	16.95	20.60	8.13	0.50	0.50
Diamond Hill Large Cap I	10.57	6.41	3.56	104.67	91.99	36.60	36.60	16.43	17.75	9.97	0.81	0.81
FMI Large Cap	9.92	7.11	4.95	92.68	77.19	30.48	30.48	15.01	17.06	9.61	0.96	0.96
S&P 500 Index	8.24	5.06	2.06	100.00	100.00	32.39	32.39	16.18	17.94	7.41	-	-
Mid Cap and Small Cap												
Munder Mid Cap Core Growth Y	11.74	7.59	4.14	90.98	84.40	33.71	33.71	15.46	20.73	10.50	1.15	1.15
Royce Value Investment	11.86	8.35	5.72	98.99	92.15	28.06	28.06	9.31	18.91	11.31	1.17	1.17
Keeley Small Cap Value A	12.67	6.857	2.02	107.58	106.03	34.63	34.63	15.61	18.82	10.86	1.39	1.39
Russell 2500 Index	11.07	7.05	4.00	100.00	100.00	36.80	36.80	16.28	21.77	9.81	-	-
International												
Thornburg International Value	10.82	7.20	4.13	95.91	86.52	15.77	15.77	5.30	11.96	8.79	0.88	0.88
Dodge & Cox International	11.68	5.89	2.51	114.81	106.28	26.31	26.31	8.71	16.58	9.77	0.64	0.64
MFS Int'l New Discovery	13.44	8.73	5.30	105.11	88.24	19.76	19.76	10.52	19.51	11.10	1.14	1.14
MSCI EAFE Index	8.68	3.97	0.59	100.00	100.00	22.78	22.78	8.17	12.44	6.91	-	-
Emerging Markets												
T. Rowe Price Emerging Mkts	16.96	10.35	6.13	104.44	108.64	-4.69	-4.69	-2.44	15.33	10.35	1.27	1.27
MSCI Emerging Markets Index	16.45	11.42	8.12	100.00	100.00	-2.60	-2.60	-2.06	14.79	11.17	-	-
Intermediate Gov't/Credit												
Eaton Vance Glb Mcr Abs Rtn	5.68	5.92	6.07	81.85	2.23	-0.24	-0.24	1.14	3.80	5.27	1.02	0.72 ¹
Hartford Floating Rate	-	-	-	-	-	5.35	5.35	5.49	13.37	-	0.73	0.73
BarCap U.S. Intrm Govt/Credit	4.44	5.03	5.22	100.00	100.00	-0.86	-0.86	2.91	3.96	4.09	-	-
Short-Term Bond												
Vanguard Short-Term Inv Gr.	3.98	4.32	4.38	131.71	151.53	1.07	1.07	2.56	5.34	3.72	0.10	0.10
Citigroup USBIG Gov/Corp 1-3	3.14	3.62	3.82	100.00	100.00	0.65	0.65	1.14	1.99	2.91	-	-
Dynamic Allocation												
BlackRock Global Allocation I	8.89	7.45	6.05	72.11	54.60	14.71	14.71	6.92	10.43	8.46	0.88	0.88
IVA Worldwide I	-	-	-	-	-	17.20	17.20	7.09	12.23	-	1.03	1.03
Kinetics Paradigm No Load	12.13	5.80	1.67	119.97	112.32	44.07	44.07	14.58	20.01	9.75	1.78	1.64 ²
Wells Fargo Avtg Abs Rtn A	-	-	-	-	-	9.95	9.95	-	-	-	1.53	1.49 ³
Wintergreen Investor	-	-	-	-	-	16.81	16.81	8.09	15.22	-	1.89	1.89
Ivy Asset Strategy I	13.29	10.97	9.08	93.55	64.12	24.59	24.59	11.31	13.49	12.31	0.74	0.74
MSCI World Index	8.22	4.42	1.28	100.00	100.00	26.68	26.68	11.49	15.02	6.98	-	-

Performance shown is historical and is no guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month end, please call (800) 853-2060.

Disclosures

It is important to note that short-term and trailing performance will fluctuate. We expect all of the funds at some point to experience underperformance versus their benchmarks and peer groups. However, we believe that our research process has helped us identify funds that are likely to perform well over the long term. Our decision to remove a fund is not based on short-term performance, but on in-depth analysis using our Monitoring Criteria.

"Mutual funds are offered in the FundAdvisor program at net asset value, but are subject to an annual investment advisory fee of up to 1.25% with a minimum fee of \$125 per quarter. The Davenport wrap fee includes investment advice and brokerage execution. In addition to the FundAdvisor fee, clients will bear a proportionate share of each mutual fund's management and administrative expenses, including advisory fees paid to the mutual fund's investment advisors. This chart shows the actual performance of the shares at net asset value, and does not represent individual account performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month-end, please visit the following web sites: www.americanfunds.com, www.blackrock.com, www.diamond-hill.com, www.dodgeandcox.com, www.eatonvance.com, www.fiduciarymgt.com, www.hartfordinvestor.com, www.ivafunds.com, www.ivyfunds.com, www.keeleyfunds.com, www.kineticsfunds.com, www.mfs.com, www.munder.com, www.roycefunds.com, www.thornburginvestments.com, www.troweprice.com, www.vanguard.com, www.wellsfargo.com, www.wintergreenfund.com. The investment and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Mutual Fund and Index returns are provided by Morningstar and Zephyr StyleADVISOR.

You should consider each mutual fund's investment objectives, risks, charges and expenses carefully before investing. Each mutual fund's prospectus contains this and other important information, should be read carefully before investing or sending money, and can be obtained by contacting your Investment Executive, or by calling (800) 853-2060. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Investing in securities carries risk including the possible loss of principal.

¹U.S. Large Caps represented by the **S&P 500 Index**. U.S. Mid Caps represented by the **Russell Midcap Index**. U.S. Small Caps represented by the **Russell 2000 Index**. Developed International represented by the **MSCI EAFE Index**. Emerging Markets represented by the **MSCI Emerging Markets Index**. Bonds represented by the **Barcap Intermediate Gov't/Credit Index**.

The illustrations contained herein are for informational purposes only and are not intended to constitute specific investment advice. Individual circumstances vary. The information contained herein is based upon data obtained from sources believed to be reliable, however there is no guarantee of its accuracy or completeness.

Downside Capture Ratio measures a manager's performance in down markets relative to the market (benchmark) itself over the preceding 10-year period. **Gross Expense Ratio:** The total annual operating expenses of a fund divided by its average net assets. **Net Expense Ratio:** The total annual operating expenses of a fund, less any fee waivers, divided by its average net assets. This is the expense ratio actually charged by the fund for the previous fiscal year. **Rolling Returns:** The annualized average return for a period ending with the listed year. **Upside Capture Ratio** measures a manager's performance in up markets relative to the market (benchmark) itself over the preceding 10-year period.

¹Reflects net interest expense.

²The Investment Adviser to the Paradigm Portfolio has voluntarily agreed to waive management fees and reimburse Fund expenses so that Total Annual Fund Operating Expenses do not exceed the net expense ratio listed for the particular class. These waivers and reimbursements may be discontinued at any time.

³The Adviser has committed through February 28, 2014, to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waiver at 0.60% for Administrator Class. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (including the expenses of GMO Benchmark-Free Allocation Fund), and extraordinary expenses are excluded from the cap. After this time, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

Index Definitions: The **Barclays Capital Intermediate Government/Credit Index** is an unmanaged index composed of debt securities with maturities from one to ten years issued or guaranteed by the U.S. Treasury, U.S. Government agencies, quasi-federal corporations and fixed rate dollar denominated SEC-registered corporate debt that are rated investment grade or higher by Moody's Investors Service and Standard and Poor's Corporation or Fitch Investor's Service, in that order. The **Citigroup USBIG Government/Corporate 1-3 years Index** measures the performance of bonds issued in the U.S. investment-grade bond market. The **Morgan Stanley Capital International Europe, Australia and Far East (MSCI EAFE) Index** is an unmanaged index composed of the stocks of approximately 1,000 companies traded on 20 stock exchanges from around the world, excluding the U.S., Canada, and Latin America. The **MSCI Emerging Markets Index** is a capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in US dollars and do not include the effects of reinvested dividends. The **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The **Russell 2000® Index** measures the performance of the 2000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market. The Russell 2000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The **Russell 2500® Index** measures the performance of the small to mid cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. 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.*

Risk Considerations: International funds invest primarily in equity securities of issuers outside the United States. International investments are subject to additional risks such as currency fluctuations, political instability, and the potential for illiquid markets. Funds that invest in foreign securities may involve greater risks, including political and economic uncertainties, as well as risk of currency fluctuations. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies. Investments in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, while their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes. An issuer suffering an adverse change in its financial condition could see the credit quality of its securities deteriorate, leading to greater price volatility of the security. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

The mutual fund categories are determined by Davenport using a combination of Morningstar categories and a returns-based style analysis provided by Zephyr StyleADVISOR.



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