

Happy New Year! 2017 was a phenomenal year. In fact, it was by far the best year since 2013 and well above nearly everyone's expectations. The current bull market completed its ninth year with the S&P 500 Index (Large Cap) up 21.8% and the Russell 2000 Index (Small Cap) up 14.6%. The international markets had their best year since 2009 and collectively outpaced the S&P 500 Index for the first time since 2012. Developed International markets gained 25.0% while the faster growing Emerging Markets gained 37.2%. Commodities continued to struggle and REITs had modest gains given their sensitivity to higher interest rates. The bond market was able to squeak out decent gains despite a 0.75% increase in the short-term Fed Funds rate.

The 2017 market rally was largely uninterrupted and characterized by very subdued volatility. In fact, the S&P 500 Index did not have a single down month in 2017 for the first time since 1927. This is certainly unsustainable, and while we think the market can continue to climb higher from here, we also expect it to be a bumpier ride. Many pundits are beginning to call for a 10% correction, something that has happened on average nearly every year, but has not occurred since early 2016. While this is certainly a possibility, we generally believe it proves futile to try to time the market to avoid such a correction.

There are a few noteworthy trends that we wanted to discuss here that we think could impact the FundAdvisor portfolios in 2018:

International Market Improvement Can Continue: We have written several times in this forum about the potential for recovery and improving returns in international markets, which appear to be playing out. International GDP and corporate earnings are projected to grow at a faster pace than the U.S. in 2018, while stock valuations are considerably lower. S&P 500 Index stocks are currently trading at a price-to-earnings ratio of 18.2X versus a 20-year average of 16.0X, whereas the MSCI ACWI ex-US index of international stocks trades at 14.3X earnings versus a 20-year average of 14.5X. This could bode well for international returns again in 2018 and beyond. The international portion of the FundAdvisor portfolios consist of both Developed and Emerging Market stocks of all market capitalizations. Smaller Cap and Emerging Market stocks could benefit the most from improving economic growth.

"Growth" beat "Value": Technology stocks led the charge, gaining 38.8% in 2017 and accounting for more than 40% of the return of the S&P 500 Index. Such robust performance has been a function of outsized earnings growth for tech leaders like the FAANGs (Facebook, Amazon, Apple, Netflix and Google) and a relative scarcity of growth in other sectors. A similar phenomenon occurred in 2015, but reversed dramatically in 2016, when more economically sensitive sectors like Financials and Energy (more typical "value" sectors) rebounded. Improved economic growth along with lower tax rates should lead to better performance for more cyclical and/or value-oriented investments. Many of the mutual fund managers in these portfolios tend to have a value bias and would be poised to do well in such an environment.

Corporate Earnings and Tax Reform: According to CFRA, S&P 500 Index earnings are projected to grow more than 10% in 2018, driven by a declining dollar and improvement from the struggling energy sector. Lower corporate tax rates could drive that considerably higher. Small and Mid-Cap companies, which make up about 25% of the stocks in the FundAdvisor portfolios, generally pay higher tax rates and could therefore be the biggest beneficiaries of a lower corporate tax rate.

Rising Interest Rates: Investors have been bracing for rising interest rates for at least 4 years now. In late 2016, the Federal Reserve started to raise short term borrowing rates (the Fed Funds rate) and continued in 2017, raising by 0.75%. However, this had virtually no impact on the longer-term 10-year treasury rate, which finished the year virtually unchanged. The three bond funds in FundAdvisor are well positioned for higher rates and performed very well in 2017. The combination consists of mostly corporate bonds, some with floating interest rates that have a very short duration and will increase with market rates.

We feel well positioned for the prevailing trends discussed here and are hopeful for a strong 2018. Please see page 2 for a list of the investments that make up your portfolio and as always, please do not hesitate to contact your investment executive if you have any questions.

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) 846-6666.

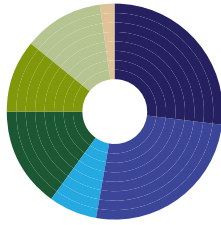
Performance shown is historical and is no guarantee of future results. Please see page 4 for Important Disclosures and Index Definitions.

Asset Category	2017	5 Years
Large Caps	21.83	15.79
Mid Caps	18.52	14.96
Small Caps	14.65	14.12
Developed Int'l	25.04	7.90
Emerging Markets	37.28	4.35
Int'l Small-Mid	30.36	9.14
Interm Bonds	2.14	1.50
High Yield Bonds	7.50	5.80
Commodities	1.70	-8.45
Real Estate	8.67	9.84

Source: Morningstar Direct. Please see Important Disclosures on page 4 for index definitions.

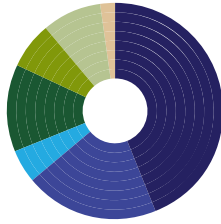
FundAdvisor Portfolio Holdings as of December 31, 2017

Maximum Growth Portfolio



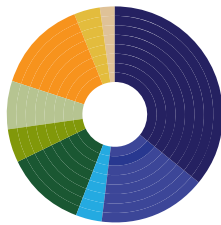
Asset Class	% Fund
U.S. Large Cap	9% FMI Large Cap 9% Diamond Hill Large Cap 9% American Funds AMCAP
U.S. Mid Cap	26% Vanguard Mid Cap Index
U.S. Small Cap	7% JHancock Small Value
International Large Cap	6% FMI International 9% Dodge & Cox International
International SMID	11% MFS International New Discovery
Emerging Markets	6% Touchstone Emerging Markets 6% Vanguard Emerging Markets
Cash	2% Money Market

Growth Portfolio



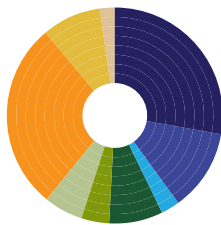
Asset Class	% Fund
U.S. Large Cap	15% FMI Large Cap 15% Diamond Hill Large Cap 14% American Funds AMCAP
U.S. Mid Cap	20% Vanguard Mid Cap Index
U.S. Small Cap	5% JHancock Small Value
International Large Cap	6% FMI International 7% Dodge & Cox International
International SMID	7% MFS International New Discovery
Emerging Markets	5% Touchstone Emerging Markets 4% Vanguard Emerging Markets
Cash	2% Money Market

Conservative Growth Portfolio



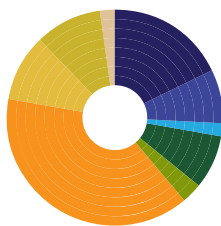
Asset Class	% Fund
U.S. Large Cap	12% FMI Large Cap 12% Diamond Hill Large Cap 12% American Funds AMCAP
U.S. Mid Cap	16% Vanguard Mid Cap Index
U.S. Small Cap	4% JHancock Small Value
International Large Cap	6% FMI International 6% Dodge & Cox International
International SMID	5% MFS International New Discovery
Emerging Markets	4% Touchstone Emerging Markets 3% Vanguard Emerging Markets
Investment Grade Bonds	4% Vanguard Interm Term Invest Grade Bond 10% Vanguard Short Term Invest Grade Bond
Floating Rate Notes	4% Hartford Floating Rate
Cash	2% Money Market

Balanced Portfolio



Asset Class	% Fund
U.S. Large Cap	10% FMI Large Cap 9% Diamond Hill Large Cap 9% American Funds AMCAP
U.S. Mid Cap	12% Vanguard Mid Cap Index
U.S. Small Cap	3% JHancock Small Value
International Large Cap	4% FMI International 4% Dodge & Cox International
International SMID	4% MFS International New Discovery
Emerging Markets	3% Touchstone Emerging Markets 3% Vanguard Emerging Markets
Investment Grade Bonds	9% Vanguard Interm Term Invest Grade Bond 19% Vanguard Short Term Invest Grade Bond
Floating Rate Notes	9% Hartford Floating Rate
Cash	2% Money Market

Conservative Balanced Portfolio



Asset Class	% Fund
U.S. Large Cap	6% FMI Large Cap 6% Diamond Hill Large Cap 6% American Funds AMCAP
U.S. Mid Cap	8% Vanguard Mid Cap Index
U.S. Small Cap	2% JHancock Small Value
International Large Cap	4% FMI International 4% Dodge & Cox International
International SMID	3% MFS International New Discovery
Investment Grade Bonds	19% Vanguard Interm Term Invest Grade Bond 20% Vanguard Short Term Invest Grade Bond
Floating Rate Notes	10% Hartford Floating Rate
Global Bonds	10% Eaton Vance Global Macro Abs Return
Cash	2% Money Market

Returns Net of Fees as of December 31, 2017

Fund / Index Name	Fund / Index Performance at Net Asset Value**					Up Capture	Down Capture	Expense Ratio	
	YTD	1 Year	3 Years*	5 Years*	10 Years*			Gross	Net ³
Large Cap									
American Funds AMCAP F3	22.40	22.40	10.39	15.59	9.01	100.20	97.41	0.37	0.37
Diamond Hill Large Cap I	20.30	20.30	10.99	15.64	8.54	98.37	97.41	0.68	0.68
FMI Large Cap Institutional	19.29	19.29	9.81	14.19	9.10	92.34	85.37	0.72	0.72
Benchmark: S&P 500 Index	21.83	21.83	11.41	15.79	8.50	100.00	100.00	-	-
Mid Cap and Small Cap									
Vanguard Mid Cap Index Admiral	19.25	19.25	9.38	15.01	8.92	90.87	88.79	0.06	0.06
JHancock Small Cap Value I	3.74	3.74	7.82	12.21	-	-	-	1.26	1.26
Benchmark: Russell 2500 Index	16.81	16.81	10.07	14.33	9.22	100.00	100.00	-	-
International									
FMI International Institutional	15.59	15.59	9.49	11.35	-	-	-	0.80	0.80
Dodge & Cox International Stock	23.94	23.94	5.96	8.50	3.17	110.77	106.10	0.64	0.64
MFS International New Discovery I	32.04	32.04	10.88	9.71	6.16	95.86	78.53	1.08	1.08
Benchmark: MSCI EAFE Index	25.03	25.03	7.80	7.90	1.94	100.00	100.00	-	-
Emerging Markets									
Touchstone Sands Cptl Emerg Mkts Gr Y ¹	38.35	38.35	8.48	-	-	-	-	1.56	1.50
Vanguard Emerging Mkts Stock Idx Adm	31.38	31.38	7.51	3.49	1.29	99.97	101.31	0.14	0.14
Benchmark: MSCI EM Index	37.28	37.28	9.10	4.35	1.68	100.00	100.00	-	-
Intermediate Gov't/Credit									
Eaton Vance Gbl Macr Absolute Return I ²	4.29	4.29	3.63	2.73	3.47	55.11	-19.01	0.76	0.73
Hartford Floating Rate F	4.69	4.69	4.67	3.88	4.16	69.74	-13.12	0.66	0.66
Vanguard Interm-Term Investment-Grade Adm	4.27	4.27	3.27	2.86	5.18	159.19	165.00	0.10	0.10
Benchmark: BBgBarc US Interm Govt/Credit Index	2.14	2.14	1.76	1.50	3.32	100.00	100.00	-	-
Short-Term Bond									
Vanguard Short-Term Investment-Grade Adm	2.13	2.13	2.03	1.80	2.96	160.28	157.96	0.10	0.10
Benchmark: Citi USBIG Govt/Corp 1-3 Yr	0.80	0.80	0.89	0.80	1.83	100.00	100.00	-	-

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) 846-6666. *Returns greater than one year are annualized.

**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%. 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. The performance 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.touchstoneinvestments.com, www.diamond-hill.com, www.dodgeandcox.com, www.eatonvance.com, www.fiduciarymgt.com, www.hartfordinvestor.com, www.jhinvestments.com, www.mfs.com, www.vanguard.com, www.wellsfargo.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) 846-6666. 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.

Important Disclosures

¹Touchstone Advisors has contractually agreed to waive a portion of its fees and/or reimburse certain Fund expenses in order to limit annual fund operating expenses (excluding Acquired Fund Fees and Expenses "AFFE," if any) to 1.49% for Class Y Shares. These expense limitations will remain in effect until at least 07/29/18. Please refer to the fund's prospectus for more information.

²Total annual Fund operating expense ratio for the Eaton Vance Global Macro Absolute Return Fund is as stated in the Fund's most recent prospectus. Net expense ratio is not a result of a fee waiver or expense reimbursement. Net expense ratio excludes interest expense associated with certain investment transactions.

³Investors pay the net expense ratio of the fund.

Diversification and Asset Allocation does not ensure a profit or guarantee protection against a loss. 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. The mutual fund categories are determined by Davenport using a combination of Morningstar categories and a returns-based style analysis provided by Zephyr StyleADVISOR.

Any opinions expressed here are statements of judgment on this date and are subject to future change without notice. This information may contain forward looking predictions that are subject to certain risks and uncertainties which could cause actual results to differ materially from those currently anticipated or projected. The information contained herein has been compiled from sources believed to be reliable; however, there is no guarantee of its accuracy or completeness. There is no guarantee that a company will continue to pay a dividend. The investment return and principal value of an investment will fluctuate. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies. The portfolios may invest in foreign securities which are subject to additional risks such as currency fluctuations, political instability, differing financial standards and the potential for illiquid markets.

Index Definitions: U.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. International Developed Markets represented by the MSCI EAFE Index. Emerging Markets represented by the MSCI EM Index. Int'l Small- Mid represented by the MSCI ACWI ex USA SMID Index. Intermediate Term Bonds represented by the Bloomberg Barclays Intermediate Government/Credit Index. High Yield Bonds represented by the Bloomberg Barclays U.S. Corporate High Yield Index. Commodities represented by the Bloomberg Barclays Commodity Index. Real Estate represented by the FTSE NAREIT All Equity REIT Index.

Performance shown is historical and is no guarantee of future results. Investing in securities carries risk including the possible loss of principal.

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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 **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 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 Russell 2000® Index and Russell Midcap® Index are trademark/service marks of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The **FTSE NAREIT All Equity REIT Index** is an unmanaged index considered representative of US REITs. The **MSCI 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 ACWI ex USA SMID Index** represents the performance of small-cap and mid-cap stocks in developed and emerging markets, excluding the US. The index is computed using the net return, which withholds applicable taxes for non-resident investors. The **MSCI Emerging Markets (MSCI EM) 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 **Bloomberg Barclays Commodity Index** is an unmanaged index designed to be a highly liquid and diversified benchmark for the commodity futures market. The **Bloomberg Barclays U.S. Corporate High Yield Index** measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The **Bloomberg Barclays 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 **Bloomberg Barclays U.S. Government/Credit Bond Index** measures the non-securitized component of the U.S. Aggregate Index. It includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities. **An index is not available for direct investment; therefore its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio.**

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. Investments in emerging markets come with much greater risk due to political instability, domestic infrastructure problems, currency volatility and limited equity opportunities, as many large companies may still be "state-run" or private. 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.

Upside Capture Ratio measures a manager's performance in up markets relative to the market (benchmark) itself over the preceding 10-year period. **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.

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