# The Davenport Funds
## Quarterly Update | Q1 2023

DAVENPORT ASSET MANAGEMENT 1863

Stocks managed to perform surprisingly well in the first quarter despite the double whammy of hawkish talk from the Fed and turbulence in the banking system. However, it wasn't always smooth sailing. In early February, the S&P 500® Index was up 9% and looked to be on its way to a swift recovery from 2022 losses. However, this proved too good to be true, as recession fears ultimately resurfaced and prompted stocks to decline from early February to mid-March. After a late-March rally, the S&P 500 and Russell 2000® Index finished the quarter up 7.50% and 2.74%, respectively. Growth-oriented areas like technology (up 21.82%) dramatically outperformed more cyclical sectors such as energy (down 4.67%) and financials (down 5.56%) as recession risks grew.

| Market Returns | Q1 2023 | 2022 |
|---|---|---|
| U.S. Large Caps | 7.50 | -18.11 |
| U.S. Mid Caps | 4.06 | -17.32 |
| U.S. Small Caps | 2.74 | -20.44 |
| International Developed Markets | 8.47 | -14.45 |
| Emerging Markets | 3.96 | -20.09 |
| Intermediate Term Bonds | 2.33 | -8.23 |

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

What caused the wild ride? Stocks started the quarter with a bang as hopes for an economic "soft landing" sprung eternal. But, inflationary pressure proved more persistent than hoped and prompted the Federal Reserve to renew its commitment to containing price increases with interest rate hikes. "Hawkish" policy aimed at subduing inflation naturally raises the risk of economic slowdown. As an important aside, higher interest rates have also made fixed income vehicles (Treasuries, CDs, money market funds etc.) more competitive when compared to stocks. For sure, it makes more sense to consider a 6-month T-bill when yielding nearly 5% as compared to roughly 1% a year ago.

Later in the quarter, stress in our banking system took center stage. Silicon Valley Bank (SVB) collapsed after large investment losses and deposit flight caused its equity value to evaporate. While a somewhat unusual situation, SVB's failure gave way to pressure elsewhere in the regional banking system and created fear of broader financial contagion. The mess appears to have been contained with the help of the federal government. Nonetheless, it has brought about an incremental threat to the economy. Indeed, deposit flight and heightened regulation may impair the ability for many banks to lend, and capital could become more expensive. This is not to mention the negative impact to consumer confidence created by these recent headlines.

Recession risks have clearly risen as a result of the banking debacle and most economists now believe there's greater than a 50% chance economic growth turns negative before year end. However, there is a positive flipside to this coin that supported stocks late in the quarter. While still focused on quelling inflation, the Federal Reserve now seems more attuned to heightened economic risks and may start to slowly back away from restrictive policy if inflation subsides alongside economic duress. At a minimum, it already appears the pace of interest rate hikes is peaking. Some are even predicting interest rate cuts within the next 12 months. Barring a severe recession, "looser" policy and lower interest rates should be a positive for asset classes such as stocks.

Putting it all together creates a tricky conundrum for investors. On one hand, we clearly have ongoing inflation pressures as well as heightened economic risk. On the other hand, the interest rate hikes that were the primary headwind for stocks in 2022 may be coming to an end. Acknowledging these fighting forces, we reiterate our comments from year end. We noted that the stock market's overall valuation level seemed fair (i.e. not overly cheap or expensive) and returns should moderate when compared to the turbo-charged "cheap money" era. Adding to that, we also think investing in high quality business models with durable growth and low debt levels makes more sense than ever. We continue to seek out such opportunities at reasonable prices and have added some new names to our Funds.

In further news, we are pleased to announce we have moved to a team management structure for both the Core Leaders and Value & Income Funds as of March 31, 2023. Individual Fund decisions will be made at a team level similar to the Equity Opportunities Fund and Small Cap Focus Fund. We believe having dedicated teams will allow for greater flexibility, focus and accountability when managing the Funds. The new Fund teams are as follows:

- Davenport Core Leaders Fund: George Smith, Chris Pearson, Jeff Omohundro
- Davenport Value & Income Fund: George Smith, Adam Bergman, Mike Beall

While the new teams will take on the responsibility of daily investment decisions, it is important to acknowledge the Investment Policy Committee (IPC), which includes the members of the Fund teams, will remain an integral part of Davenport Asset Management. The IPC will continue to provide guidance, ideas and market perspective on a weekly basis.

# Davenport Core Leaders Fund

DAVPX

DAVENPORT ASSET MANAGEMENT 1863

The Davenport Core Leaders Fund (DAVPX) appreciated 3.77% during the first quarter, lagging the 7.50% advance for the S&P 500® Index. Frustratingly, this quarter's shortfall had much to do with what we didn't own (or were underweight), as investors rotated into the perceived safety of the largest growth/tech index constituents amid concerns of slowing growth and financial instability (more on this below).

Before digging into the specifics of performance and activity, we wanted to address our decision to change the Fund's name from the Core Fund to the Core Leaders Fund effective March 31st. It's important to note that this change does not signify a shift in strategy or approach. Rather, we feel "Core Leaders" better reflects the Fund's mission to be a one-stop shop for the world's most established, dominant and durable franchises. While our discipline around quality, returns on capital, valuation and risk may cause deviations from the S&P 500 at times, we believe our approach will be a positive differentiator over time.

With respect to performance, underweight stances in Apple Inc. (AAPL) and Microsoft Corp (MSFT), combined with a lack of exposure to high flyers such as Tesla Inc. (TSLA) and Nvidia Corp (NVDA) accounted for more than half of the Fund's relative shortfall. Despite serving as headwinds to relative results, AAPL and MSFT were among the Fund's top contributors. Combined, these two companies represented nearly 14% of the S&P at quarter end. Microsoft is our largest position and we remain sanguine on the stock given its diversified cash flow streams, recurring revenue model and reasonable valuation. Meta Platforms Inc. (META) was the Fund's top contributor, increasing more than 76% alongside strong results aided by significant cost cutting initiatives. We are pleased to have added to the position at a timely juncture early in the year. Financial services firm Charles Schwab Corp (SCHW), a new addition, was the Fund's biggest detractor. Though we continue to believe in the durability of Schwab's operating model, recent banking turmoil and interest rate volatility have cast a pall of uncertainty over the firm's near-term earnings power. Elsewhere, energy exposure served as a detractor with holdings in Pioneer Natural Resources Co (PXD) and EOG Resources Inc. (EOG) posting declines. We elected to add to our position in EOG on weakness given its status as a low-cost domestic operator with a long reserve life, strong balance sheet and high returns on capital.

Early in the quarter we initiated a new position in Intercontinental Exchange Inc. (ICE), a global provider of market infrastructure (e.g. security exchanges), data/analytics, and mortgage technology solutions. Shares underperformed following the announced acquisition of mortgage software provider Black Knight Inc. (BKI). The FTC moved to block the acquisition on the basis of consumer protection. We view the recent weakness as an opportunity to gain access to a high return, wide moat business at a discounted valuation. Regardless of the transaction's outcome, we believe any resolution will eliminate a key headline headwind for the stock. If the deal goes through, ICE will increase its reach within the mortgage technology industry. If the deal is blocked, ICE could immediately resume share repurchases, pay down debt, and re-focus on its core businesses. Ultimately, ICE is well positioned to benefit from secular tailwinds including elevated market volatility, demand for risk management products, increasing "datafication" and "electronification" within financial services, and passive investing.

In March, we established a position in Republic Services Inc. (RSG), the #2 provider of solid waste disposal services in the US. Solid waste is a very wide-moat, defensive business. New landfill capacity requires significant regulatory permitting, allowing annuity-like revenue streams that are resilient through a variety of economic cycles. The recent investor rotation into more pro-cyclical names resulted in relative weakness in solid waste company valuations. We initiated a position in RSG at a discount to both peers and its own historical valuation. The combination of strong pricing power and modest volume growth should allow RSG to compound free cash flow at a low-double-digit rate. Including the ~1.5% dividend yield, we think the stock can produce a 10%-15% annual total return with very good visibility.

In closing, we were disappointed to have encountered unfavorable market dynamics during the quarter, but remain optimistic about the quality and positioning of the Fund. We continue to add world class businesses at what we believe to be attractive prices. Ultimately, we feel this differentiated collection of "Core Leaders" will deliver attractive returns with an eye towards minimizing risk.

The following chart represents Davenport Core Leaders Fund (DAVPX) performance and the performance of the S&P 500 Index, the Core Leaders Fund's primary benchmark, for the periods ended March 31, 2023

| | Q1 2023 | 1 Year | 3 Years* | 5 Years* | 10 Years* | Since Inception* 1/15/98 |
|---|---|---|---|---|---|---|
| Core Leaders Fund (DAVPX) | 3.77 | -11.37 | 13.36 | 7.86 | 9.70 | 7.02 |
| S&P 500 Index | 7.50 | -7.73 | 18.60 | 11.19 | 12.24 | 7.97 |
| 30-Day SEC Yield: 0.67%; Expense Ratio: 0.86% Current Expense Ratio†: 0.87% | | | | | | |

*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.*

*Returns greater than one year are annualized. The **S&P 500 Index** is comprised of 500 U.S. stocks and is an indicator of the performance of the overall U.S. stock market. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

# Davenport Core Leaders Fund Quarterly Transactions

DAVPX

DAVENPORT 1863 ASSET MANAGEMENT

### Recent Purchases

**Accenture PLC** (ACN) -** We expect ACN to extend its track record of predictable growth, strong cash generation and prudent capital allocation. With the stock trading below long-term averages, we thought it was timely to add exposure and elected to add to our position.

**Charles Schwab Corp (SCHW) -** SCHW is a financial services company offering banking, investing, consulting, and wealth management advisory services to both retail and institutional clients. We feel the company has many "levers" to pull that should drive high-teens earnings growth and decided to establish a position in a high quality, defensive, market leader.

**Charles Schwab Corp (SCHW) –** Aside from the failure of Silicon Valley Bank (SVB) and Signature Bank, we believe SCHW's size, diversified retail client base, and access to external funding sources insulate it. We believe SCHW's operating model remains intact, and elected to increase the portfolio's position.

**Costco Wholesale Corp (COST) -** We believe COST is a great business that not only provides above-average growth, but also defensive characteristics given its membership model that drives predictable sales and cash flow. We elected to beef up the position on the continued weakness and at a valuation significantly below its historical average.

**EOG Resources Inc. (EOG) -** EOG has pulled back from the highs seen in November alongside falling oil prices and general softness in the energy sector. We believe this weakness offers an attractive opportunity to increase our energy exposure and elected to add to our position.

**EOG Resources Inc. (EOG) -** EOG has been a tremendous value creator over time and has a great set of low-cost, low-risk U.S. shale assets. We think this is a good time to add to our position again.

**Intercontinental Exchange Inc. (ICE) -** Investors have often misunderstood some of ICE's acquisitions in the past and we think any regulatory resolution, regardless of the outcome, would remove ICE from the penalty box and allow for price appreciation and multiple expansion. We think this offers an opportunity to purchase a position in the dominant, well-run, bellwether franchise.

**Meta Platforms Inc. (META) -** META has recently shown signs of improved cost discipline and we expect the company to remain focused on further cost controls going forward. Due to this, we elected to add to our position.

**Republic Services, Inc. (RSG) –** RSG is the #2 provider of solid waste disposal services in the U.S. with 14MM customers across 47 states. Long-term, we expect there is potential upside to estimates from renewable natural gas, motivating our decision to initiate a position.

**Walt Disney Co. (DIS) -** We expect the CEO will help DIS to reinvigorate growth, refocus its strategy across all segments, and return the company back to its former glory. For this reason, we elected to add to our position.

**Walt Disney Co. (DIS) -** Following our earlier add in the quarter, the CEO inferred that DIS may be open to selling its stake in Hulu which would allow the company to pay off much of its debt and focus on the core businesses. We are confident in management's ability to deliver on its initiatives and elected to add again.

### Recent Sales

**Alphabet Inc. (GOOG/GOOGL) -** GOOG/GOOGL is currently navigating a challenging ad environment, slowing Cloud growth, and yet another lawsuit from the Department of Justice. We think it's prudent to take some off the table.

**Apple Inc. (AAPL) -** We are becoming concerned about AAPL's ability to continue to grow off of such a large base, and the company's growth/financials may be pressured throughout the year. We elected to chip the position, but feel comfortable maintaining a smaller position for the longer-term.

**Booking Holdings Inc. (BKNG) -** We feel the shares are fairly valued at current levels given the company does face potential headwinds. All told, we think risk/reward profile is more balanced at current levels and elected to sell our position.

**CarMax Inc. (KMX) -** It is difficult to part ways with a long standing holding and a quality business that we believe will continue to take share within the used car industry. However, we feel the stock carries more downside than upside potential.

**T-Mobile US Inc. (TMUS) -** After the outsized performance of late, we feel the profile is more balanced given the possibility for an industry-wide slowdown in subscriber growth. We think the upside from here is limited and elected to exit the position.

**Union Pacific Corp (UNP) –** Mid-quarter, UNP provided an update on the timing of its active leadership succession planning. While there is speculation that the former UNP Chief Operating Officer could be the front-runner, it would likely be well received so we elected to chip our position on near-term strength.

### Top Ten Holdings* - % of Net Assets

as of 03/31/2023

| | |
|---|---|
| Microsoft Corp | 3.84 |
| Markel Corp | 3.48 |
| Danaher Corp | 3.45 |
| Amazon Inc | 3.17 |
| Accenture PLC** | 3.12 |
| Air Products and Chemicals Inc | 3.09 |
| Adobe Inc | 3.07 |
| Mastercard Inc | 3.01 |
| Johnson & Johnson | 2.99 |
| Meta Platforms Inc | 2.96 |

**Holdings subject to change without notice. **Foreign Holding. The recent transactions profiled above represent securities purchased and/or sold during the quarter. Current and future portfolio holdings are subject to risk. The securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients and the reader should not assume that an investment in the named security was or will be profitable*

# Davenport Value & Income Fund
## DVIPX

DAVENPORT 1863 ASSET MANAGEMENT

The Davenport Value & Income Fund (DVIPX) increased 1.38% in the first quarter. This compares to the Fund's primary benchmark, the Russell 1000® Value Index, which increased 1.01% in the quarter as well as the S&P 500® Index, which increased 7.50%.

After playing relatively decent defense in 2022, value stocks took a breather in the first quarter as heightened economic uncertainty led to a repositioning into more durable growth names (NASDAQ® +16.8% in the quarter). This can be attributed to several related factors, including the failure of several bespoke banks that spooked investors about banks generally. Banks comprise a sizable percentage of most value indices. Further, the late-quarter decline in intermediate- and longer-term interest rates tended to benefit longer-duration (high-growth technology) assets the most. Despite this backdrop, we were pleased to outperform our benchmark in the quarter and continue to believe the Fund is well positioned.

Our Fund's performance for the quarter was led by an eclectic mix of names including Watsco Inc. (WSO), Fairfax Financial Holdings Ltd (FRFHF), Capital One Financial Corp (COF), and Qualcomm Inc. (QCOM). Similarly, key detractors spanned multiple sectors, led by SL Green Realty Corp (SLG), Johnson & Johnson (JNJ), Fidelity National Information Systems Inc. (FIS), and Norfolk Southern Corp (NSC). Many of the moves by these stocks were due to company specific events (such as the NSC train derailment in Ohio) as opposed to sector-based influences. Heightened volatility during the quarter gave us attractive opportunities to improve the portfolio's positioning.

We initiated a position in Sanofi SA (SNY), one of the world's largest drug and vaccine makers. Sanofi's business is comprised of pharmaceuticals, including blockbuster Dupixent (dermatology/asthma uses), vaccines (including flu and polio/pertussis), and consumer products (including brands such as Allegra, Aspercreme, and IcyHot). Sanofi is in the middle of a margin enhancement program designed to drive its operating margin from 30% to 32% by 2025. If successful, which we think it will be, the program would drive an incremental 8% to profits and cash flow. The company has grown its dividend for 28 consecutive years and yields ~2.5%. At the time of our purchase, SNY traded at ~10x earnings, which we consider attractive on the current portfolio, not to mention the potential of 3-5 products in the pipeline.

We also made two transactions that we view as reducing the balance sheet risk and improving the overall risk/reward of the Fund. First, while a bit early, we initiated a position in Fidelity National Information Services Inc. (FIS), the largest payments processing company in the world. Several temporary headwinds afforded us the ability to buy the stock at a low double-digit earnings multiple, near a generational low. With an activist involved and a 10% dividend growth rate, we see the opportunity for solid shareholder returns as the headwinds abate. Relatedly, we sold our position in Capital One Financial Corp (COF) as the stock spiked amid a view that the company would be among those that would benefit the most from a potential "soft landing" of the economy. Second, we sold our position in Kraft Heinz Co (KHC) to fund our purchase of J.M. Smucker Co (SJM). Kraft has struggled amidst high input costs and a years-long business turnaround. Smucker, a leading food and beverage producer in attractive end markets such as coffee, consumer food/snacks, and pet food, is also undergoing a portfolio transformation, but one we think has a high likelihood of success. The company has increased its dividend for 21 consecutive years and yields ~2.7%.

There were several other chips and additions during the quarter with the most notable being increasing our position in Elevance Health Inc. (ELV). Shares of Elevance and other managed care companies lagged in the first quarter of 2023 as investors focused on higher-beta names. The company continues to evolve its business model in the mold of peer UnitedHealth Group Inc. (UNH), which should drive double-digit earnings growth over the next several years. With the stock trading at 14x earnings, we used the weakness to add to our position.

In sum, the volatile markets in the first quarter offered opportunity to upgrade the risk/reward profile of the Fund at attractive prices. With a mix of traditional value and dividend payers, as well as a renewed focus on dividend growth, we like the collection of businesses we own. The average constituent in the Value & Income Fund has raised its dividend approximately 9% year-over-year, providing shareholders with a "pay raise" well in excess of the prevailing level of inflation.

The following chart represents Davenport Value & Income Fund (DVIPX) performance and the performance of the Russell 1000® Value Index, the Fund's primary benchmark, and the S&P 500 Index for the periods ended March 31, 2023.

| | Q1 2023 | 1 Year | 3 Years* | 5 Years* | 10 Years* | Since Inception* 12/31/10 |
|---|---|---|---|---|---|---|
| Value & Income Fund (DVIPX) | 1.38 | -11.81 | 14.64 | 5.19 | 7.87 | 9.37 |
| Russell 1000® Value Index | 1.01 | -5.91 | 17.93 | 7.50 | 9.13 | 9.89 |
| S&P 500 Index | 7.50 | -7.73 | 18.60 | 11.19 | 12.24 | 12.34 |
| 30-Day SEC Yield: 2.07%; Expense Ratio: 0.87% Current Expense Ratio†: 0.86% | | | | | | |

*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.*

*Returns greater than one year are annualized. The **Russell 1000® Value Index** measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The **S&P 500 Index** is comprised of 500 U.S. stocks and is an indicator of the performance of the overall U.S. stock market. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

# Davenport Value & Income Fund Quarterly Transactions

DVIPX

DAVENPORT 1863 ASSET MANAGEMENT

**Recent Purchases**

**Diageo PLC (DEO) -** As sales normalize, we think DEO should regain its 5%-7% organic growth range. This, if coupled with continued margin expansion and share repurchases could drive solid double-digit earnings per share (EPS) growth. For these reasons, we elected to add to our position.

**Elevance Health Inc. (ELV) –** ELV (formerly Anthem) continues to evolve its business model in the mold of larger peer United Health (UNH). Thus, we elected to add to our position.

**Elevance Health Inc. (ELV) –** Shares of ELV and other managed care companies have lagged this year as investors have focused on higher-beta names and new proposed Medicare Advantage rates were less than expected. We believe this sell-off has given us a prime opportunity to add to our position.

**Fidelity National Information Services Inc. (FIS) -** Our purchase comes at a time when FIS shares are trading near 10x earnings and a 40% discount to the S&P 500®, both generational lows. FIS' discount reflects a recent flattening in the company's earnings trajectory, which we believe largely owes to temporary factors.

**J.M. Smucker Co. (SJM) –** SJM is a leading food and beverage producer. SJM is undergoing a portfolio transformation, including the recently announced sale of some low-margin pet food businesses, to focus on attractive long-term end markets. We are attracted to the company's 21 consecutive years of dividend increases and elected to initiate a position.

**L3Harris Technologies Inc. (LHX) -** We last transacted in LHX in March of 2022, chipping our position following the Russian invasion of Ukraine. Recently, defense stocks have sold off on headline budgetary concerns. We think now is a good time to bring LHX to a more normal sized position by adding to it.

**NextEra Energy Inc. (NEE) -** Last year it was disclosed that Florida Power & Light (FPL) is being investigated for potential violations of campaign finance laws in Florida. The company launched an internal investigation and disclosed that nothing illegal was found. However, at the same time they announced the abrupt retirement of the CEO, Eric Silagy, which worried investors that there is another shoe to drop. The monetary risk seems small, but the bigger risk, in our opinion, is potentially souring relations with the extremely favorable Florida regulators. We believe the stock reaction is overdone and elected to use the weakness to add to our position in the nation's premier utility.

**Oracle Corp (ORCL) –** ORCL is one of the largest software companies in the world providing software and services that address critical functions across the enterprise IT environment. It is our view that if ORCL achieves its financial targets, the company can grow revenue high-single digits, expand margins roughly 300 basis points, and deliver greater than 10% annual EPS growth. We believe the risk reward is favorable and elected to initiate a position.

**Sanofi SA (SNY) –** We elected to initiate a position in the France-based company, SNY. They are one of the world's largest drug and vaccine makers, and its largest drug is Dupixent, which is annualizing at nearly 10 billion Euros in revenue. Beyond pharmaceuticals, SNY is also a world leader in vaccines and has grown its dividend (in Euros) for 28 consecutive years. In our opinion, we feel the company's balance sheet is strong and points to ample firepower for further dividend increases, as well as potential acquisitions.

**Recent Sales**

**Bunge Ltd (BG) -** Shares of BG advanced following news that the stock will be included in the S&P 500® Index. We elected to take advantage of the short-term move and chipped our position.

**Capital One Financial Corp (COF) -** We think the stock is on the riskier end of the spectrum given its subprime exposure. As such, we reduced the overall risk of the portfolio by chipping our position.

**Cannae Holdings Inc. (CNNE) -** CNNE has been a frustrating stock as the market has failed to close the massive discount to CNNE's sum-of-the parts. CNNE's lack of a dividend and current market cap make it less of a fit in this Portfolio. Given trading liquidity, our chip was smaller than typical.

**Coterra Energy Inc. (CTRA) -** While we continue to be believers in the long-term structural case for natural gas and the company is returning significant cash to shareholders, we think the stock could be range bound for the foreseeable future. Thus, we elected to reduce our above-average position to a more normal.

**Digital Realty Trust Inc. (DLR) –** Shares of DLR have struggled under our ownership despite fairly robust industry demand and pricing trends. While we never enjoy selling a position for a loss, we feel there is risk of further deterioration in the business fundamentals and elected to sell the position.

**Gaming & Leisure Properties, Inc. (GLPI) -** Shares of GLPI have been a stellar performer over the last year. The gaming REIT asset class has proven more resilient than others and while we continue to like the business, the upward rerating in the stock has made the yield less attractive vs. other alternatives. Therefore, we elected to chip our position.

**Kraft Heinz Co. (KHC) –** Despite the attractive dividend yield, KHC has been an underwhelming stock since our purchase nearly a year ago. As such, we elected to sell the position.

**SL Green Realty Corp (SLG) –** We initially purchased SLG as a play on the "return to office" in New York City. Unfortunately, this did not play out as quickly as we anticipated and the Fed's tightening cycle pressured cap rates and made it tougher to monetize properties. As such, we elected to take the loss and sold our position.

**Watsco, Inc. (WSO) -** We continue to have a favorable long-term view of WSO as its high cash generation and recession resistant business model, coupled with structural industry drivers, should drive long-term growth and returns. As such, we elected to take some profits and chip our position.

## Top Ten Holdings* - % of Net Assets

as of 03/31/2023

| | |
|---|---|
| Fairfax Financial Holdings Ltd** | 4.50 |
| Johnson & Johnson | 3.98 |
| Berkshire Hathaway Inc | 3.84 |
| Comcast Corp | 3.11 |
| Lamar Advertising Co | 3.04 |
| McDonald's Corp | 2.89 |
| Elevance Health Inc | 2.87 |
| Markel Corp | 2.83 |
| Watsco Inc | 2.82 |
| United Parcel Service Inc | 2.68 |

**Holdings subject to change without notice.**Foreign Holding*

*The recent transactions profiled above represent securities purchased and/or sold during the quarter. Current and future portfolio holdings are subject to risk. The securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients and the reader should not assume that an investment in the named security was or will be profitable*

# Davenport Equity Opportunities Fund

DEOPX

The Davenport Equity Opportunities Fund (DEOPX) enjoyed a solid start to the year, advancing 5.72% and outpacing the 4.06% gain for the Russell Mid Cap® Index in the first quarter.

Performance was fueled by an eclectic mix of companies that benefited from idiosyncratic drivers. DraftKings Inc. (DKNG) was the Fund's top contributor as the shares gained north of 65% alongside improved results and better messaging around the company's path to profitability. Fairfax Financial Holdings Ltd (FRFHF), Watsco Inc. (WSO) and Evoqua Water Technologies Corp (AQUA) were also key contributors. In the case of Evoqua, the company announced an agreement to be acquired by another Fund holding, Xylem Inc. (XYL), in an all-stock deal. While we used recent strength to take some profits, we elected to retain a modest position given our comfort with the risk/reward profile at XYL. Dish Network Corp (DISH), Sherwin-Williams Co (SHW) and Black Knight Inc. (BKI) were among the Fund's top detractors. In addition, our recent introduction of J.B. Hunt Transportation Services Inc. (JBHT) into the strategy proved to be somewhat ill-timed in the short term. However, as we highlight below, we are quite optimistic about the company's longer term prospects.

As mentioned above, we built a position in J.B. Hunt during the quarter. We think J.B. Hunt is a best-in-class transportation and logistics solutions provider with industry leading scale across a diversified portfolio. The company is the market share leader in both intermodal (freight on trains) and dedicated businesses which we expect to account for the majority of company revenue and earnings growth over the next several years. We believe both segments can grow in 2023 and are well positioned to benefit from multi-year secular growth drivers in their respective end-markets. At the same time, J.B. Hunt has company specific catalysts set to augment industry growth, which, in our opinion sets the stage for an attractive compounding growth story. The company maintains a conservative balance sheet and the management team has a solid track record of being prudent capital allocators with a returns-focused mindset. While the company must navigate near-term weakness in the freight market and possible pressure on intermodal pricing, we believe the long-term runway for growth is compelling and there could be upside to consensus earnings estimates over the next few years.

We initiated a position in Mobileye Global Inc. (MBLY) at year end 2022 and added to it during the quarter. Mobileye Global Inc. is a leader in developing driver assistance technologies that range from base Advanced Driver Assistance Systems (ADAS) functions like lane departure warnings and assisted braking, to fully autonomous applications with little to no human involvement. Mobileye has an estimated 70% share of the ADAS market today. We note that less than 60% of new vehicles are equipped with some form of ADAS technology, leaving ample runway for growth across the company's core business. As more premium ADAS solutions begin to ramp over the next few years, the content per vehicle story becomes quite compelling with the company's more advanced solutions carrying ~30x more revenue per vehicle than its legacy solutions. We think successful adoption of Mobileye's premium ADAS solutions, particularly with the new SuperVision product, will lay the foundation for the next stage of scalable, autonomous applications. We are also encouraged by recent design wins and backlog announcements which have begun to outline a path to powerful earnings growth and cash generation over the next several years.

To close, we are pleased to have gotten the year off to a good start and remain excited about the Fund's positioning. Though market conditions have been challenging of late, we have used recent volatility to take advantage of rare entry points in exceptional businesses with exciting long-term value creation opportunities.

The following chart represents Davenport Equity Opportunities Fund (DEOPX) performance and the performance of the Russell Midcap® Index, the Fund's primary benchmark, and the S&P 500 Index for the periods ended March 31, 2023.

| | Q1 2023 | 1 Year | 3 Years* | 5 Years* | 10 Years* | Since Inception* 12/31/10 |
|---|---|---|---|---|---|---|
| Equity Opportunities Fund (DEOPX) | 5.72 | -9.25 | 17.26 | 10.22 | 10.10 | 11.35 |
| Russell Midcap® Index | 4.06 | -8.78 | 19.20 | 8.05 | 10.05 | 10.51 |
| S&P 500 Index | 7.50 | -7.73 | 18.60 | 11.19 | 12.24 | 12.34 |
| 30-Day SEC Yield: 0.30%; Expense Ratio: 0.88% Current Expense Ratio†: 0.87% | | | | | | |

*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.*

*Returns greater than one year are annualized. 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. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

# Davenport Equity Opportunities Fund Quarterly Transactions

DEOPX

DAVENPORT 1863 ASSET MANAGEMENT

### Recent Purchases

**J.B. Hunt Transport Services, Inc. (JBHT) -** We think JBHT is a best in class transportation and logistics solutions provider with industry leading scale across a diversified portfolio. The company is the market share leader in both intermodal and dedicated businesses which we expect to account for the majority of company revenue and earnings growth over the next several years. We elected to establish a position in this high-quality transport operator.

**J.B. Hunt Transport Services, Inc. (JBHT) -** JBHT maintains a conservative balance sheet and the management team has a solid track record of being prudent capital allocators with a returns focused mindset. As a kicker, if JBHT is able to reaccelerate intermodal volumes we could see valuation re-rate higher over time. The shares have pulled back modestly from our initial purchase and we elect to increase our position size on recent weakness.

**J.B. Hunt Transport Services, Inc. (JBHT) –** We continue to think JBHT is a best in class transportation and logistics solutions provider. While the company must navigate some near-term challenges such as the recent weakness in the freight market and possible near-term pressure on intermodal pricing, we believe the long-term runway for growth is compelling. The shares have pulled back modestly again and we elected to increase our position for a second time.

**Live Nation Entertainment Inc. (LYV) -** The stock is essentially unchanged since our last add in the wake of news of a Department of Justice investigation into potential anti-competitive practices within the Ticketmaster platform. We expect the company to echo its commentary at the Liberty Media investor day, where management increased its guidance and alluded to sustained momentum and visibility across the business. Ultimately, we continue to view LYV as a dominant business, and elected to add to our position.

**Mobileye Global Inc. (MBLY) -** MBLY’s co-founder and CEO, Amnon Shashua, recently presented at the Consumer Electronics Show in Las Vegas, and we came away with increased conviction in the company’s multi-year growth strategy. The new SuperVision platform, MBLY’s consumer autopilot driving system, was a key highlight at the event. We think this technology and platform can be a natural bride to self-driving vehicles on the consumer side as well as commercial applications like robo-taxis. Shares of MBLY have pulled back modestly since our initial purchase and we elected to add to our position in the stock.

### Recent Sales

**Coterra Energy Inc. (CTRA) -** CTRA still offers attractive return of capital via a dividend; however, natural gas prices have declined precipitously and could put a lid on the stock. We still believe in the structural long-term case for natural gas; however, the near-to-intermediate outlook is muddied so we elected to sell our position.

**DraftKings Inc. (DKNG) -** We elected to use recent strength in the shares to take some profits. We think the company is likely to be a long-term winner in the sports betting industry and the stock should continue to work as the path to profitability gets closer.

**Evoqua Water Technologies Corp (AQUA) -** Xylem (XYL, which we also own in the portfolio), announced that it would acquire AQUA in a $7.5B all-stock deal. We had thought this deal was a possibility since our initial purchase and believe it makes great strategic sense for the two companies. However, the combined position was larger than we would like, hence our decision to chip.

**Fairfax Financial Holdings Ltd** (FRFHF) -** FRFHF was a top performer for the strategy in 2022. The position size had grown to a value north of 7.5% at which point we felt it appropriate to dial back its weighting. We think the stock still looks exceedingly cheap despite its recent run so we elected to chip our position.

**Fairfax Financial Holdings Ltd** (FRFHF) -** In light of recent outperformance and the resulting large weighting, we elected to additionally trim the position modestly. We continue to think the stock exhibits attractive risk/reward characteristics given its modest premium to book value.

**Watsco Inc. (WSO) -** WSO’s high cash generative and recession resistant business model, coupled with structural industry drivers could drive long-term growth and returns. We elected to use recent strength in the shares to take some profits and view risk/reward as more fair at current levels.

## Top Ten Holdings* - % of Net Assets

as of 03/31/2023

| | |
|---|---|
| Fairfax Financial Holdings Ltd** | 6.43 |
| Markel Corp | 6.24 |
| O’Reilly Automotive Inc | 6.12 |
| Take-Two Interactive Software Inc | 5.21 |
| Brookfield Corp** | 4.61 |
| Alight Inc | 4.35 |
| Martin Marietta Materials Inc | 3.86 |
| Live Nation Entertainment Inc | 3.79 |
| Lamar Advertising Co | 3.79 |
| American Tower Corp | 3.68 |

**Holdings subject to change without notice.**Foreign Holding*

*The recent transactions profiled above represent securities purchased and/or sold during the quarter. Current and future portfolio holdings are subject to risk. The securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients and the reader should not assume that an investment in the named security was or will be profitable*

# Davenport Small Cap Focus Fund

## DSCPX

DAVENPORT 1863 ASSET MANAGEMENT

The Davenport Small Cap Focus Fund (DSCPX) got off to a strong start with a 7.26% gain during the first quarter. This compared favorably to the 2.74% gain for Russell 2000® Index. After a hot start in January, small cap stocks were hit harder in the latter half of the quarter as investors rotated into durable growth and large cap technology names. More specifically, the Russell 2000 declined 4.78% during March while the S&P 500® Index increased 3.67%. While uncertainty in the broader economy could serve as a near term headwind for some smaller companies, we still see many attractive opportunities to put capital to work. Furthermore, we continue to view the asset class as timely with valuations at the low end of historical ranges following recent underperformance.

DraftKings Inc. (DKNG) was the Fund's top contributor as the shares gained north of 65% alongside improved results and better messaging around the company's path to profitability. We elected to trim the position on strength, but continue to think there is more upside as markets mature, new states are added and the company reaches the break-even-point later this year. Elsewhere, the Fund benefited from the announcement of M&A transactions involving two of our companies, Radius Global Infrastructure Inc. (RADI) and Evoqua Water Technologies Corp (AQUA). RADI is one of our smaller positions, yet provided a nice benefit nonetheless. AQUA has been a great performer over time. We think the all-stock offer from Xylem should result in further value creation over time. However, we have begun to slowly exit the position in anticipation of the market cap exceeding the Fund's upper limits when the deal closes in Q2 of this year. Key detractors for the period were Diamond Hill Investment Group Inc. (DHIL), Peyto Exploration & Development Corp (PEYUF), TowneBank (TOWN) and Stewart Information Services Corp (STC). Despite the choppy outlook for housing transactions in the near term, we continued to add to STC during the quarter alongside some meaningful insider purchases from executive management.

Petroleum additives leader NewMarket Corp (NEU) is now a top 5 position. We added to the stock in the face of margin headwinds related to higher prices for base oil (a key input for NEU) throughout last year. We believed the company would aggressively raise prices and that input costs would moderate, thereby unleashing higher margins and significant earnings power. We got a preview of said earnings power in the most recent quarter, when the company earned over $9/share in a seasonally soft period. We think earnings per share (EPS) of $35-$40/share is possible and think the stock could reach the $450-$500 price range. Meanwhile, the company is actively returning capital to shareholders as evidenced by $200 million of buybacks last year (6% of shares) and a dividend of 2.5% for total cash return of 8.5%. This under-followed, deep value play continues to offer an appealing risk reward at current levels.

Elsewhere in the Fund, we continued to spread cash across a variety of existing holdings on an opportunistic basis. One name of recent emphasis has been Liberty Latin America Ltd (LILAK), the tracking stock for Liberty Media's Latin American media assets. Though complex and esoteric, we are attracted to company's lead share in underpenetrated duopolistic markets such as Puerto Rico, Panama, Costa Rica, Chile and other Caribbean Islands. While the business screens as highly levered, the majority of the debt is non-recourse to the parent and the company has many opportunities to pay down debt with asset sales and strong cash generation. Ultimately, we think the business is set to hit an inflection in free cash flow generation this year and can generate more than $2.00 per share in free cash flow (FCF) in coming years (shares closed the quarter just over $8.00). As such, we think there is potential for significant upside here as earnings power comes into focus and further balance sheet actions are taken.

In closing, we are pleased to have started the year with strong momentum. While we have been actively deploying funds into exciting opportunities, we continue to have flexibility with a cash balance of ~9.5%. As noted last quarter, this could result in a bout of underperformance in a strong "risk on" environment. That said, we will continue to follow the valuation discipline that has served us well over time.

### Top Ten Holdings[1] - % of Net Assets

as of 03/31/2023

| | |
|---|---|
| Monarch Casino & Resort Inc | 6.68 |
| NewMarket Corp | 6.05 |
| Alight Inc | 5.56 |
| J & J Snack Foods Corp | 4.66 |
| Verra Mobility Corp | 4.57 |
| Perrigo Company PLC[2] | 4.42 |
| Stewart Information Services Corp | 4.10 |
| Liberty Latin America LTD | 4.04 |
| Janus International Group Inc | 3.95 |
| Cannae Holdings Inc | 3.83 |

This chart represents Davenport Small Cap Focus Fund (DSCPX) performance and the performance of the Russell 2000® Index, the Small Cap Focus Fund's primary benchmark, for the periods ended March 31, 2023.

| | Q1 2023 | 1 Year | 3 Year* | 5 Year* | Since Inception* 12/31/14 |
|---|---|---|---|---|---|
| Small Cap Focus Fund (DSCPX) | 7.26 | -3.56 | 23.96 | 11.20 | 10.49 |
| Russell 2000® Index | 2.74 | -11.61 | 17.51 | 4.71 | 6.43 |
| 30-Day SEC Yield: 1.34%; Expense Ratio: 0.89% Current Expense Ratio†: 0.89% | | | | | |

*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.*

[1]*Holdings subject to change without notice. Current and future portfolio holdings are subject to risk.* [2]*Foreign Holding.* *Returns greater than one year are annualized. The **Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3000® index, representing approximately 8% of the total market capitalization of the Russell 3000. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

# Davenport Balanced Income Fund

## DBALX

DAVENPORT 1863 ASSET MANAGEMENT

The Davenport Balanced Income Fund (DBALX) increased 1.69% during the first quarter of 2023 compared to the 1.56% for the blended 60% Russell 1000 Value® Index and 40% Bloomberg Intermediate Government/Credit® Index. After a tough ride for most asset classes in 2022, 2023 started the year on a positive note for both equities and fixed income. Looking forward, we are encouraged by the higher rate environment and potential upside for value stocks.

The Fund's equity contributors during the quarter came from a variety of names, such as Watsco Inc. (WSO), Fairfax Financial Holdings Ltd (FRFHF), Capital One Financial Corp (COF), and Qualcomm Inc. (QCOM). Some of the detractors were unique in their own right: SL Green Realty Corp (SLG), Johnson & Johnson (JNJ), Fidelity National Information Systems Inc. (FIS), and Norfolk Southern Corp (NSC). Most of these situations were results of company specific events as opposed to general sector-based sentiment.

We initiated a position in Sanofi SA (SNY), one of the world's largest drug and vaccine makers. Sanofi's business is comprised of pharmaceuticals, including blockbuster Dupixent (dermatology/asthma uses), vaccines (including flu and polio/pertussis), and consumer products (including brands such as Allegra, Aspercreme, and IcyHot). The company has grown its dividend for 28 consecutive years and yields ~2.5%. At the time of our purchase, SNY traded at ~10x earnings, which we consider attractive on the current portfolio, not to mention the potential of 3-5 products in the pipeline.

Several temporary headwinds afforded us the ability to buy Fidelity National Information Services Inc. (FIS), the largest payments processing company in the world, at a low double-digit earnings multiple, near a generational low. We sold our position in Kraft Heinz Co (KHC) to fund our purchase of J.M. Smucker Co (SJM). Kraft has struggled amidst high input costs and a years-long business turnaround. Smucker, a leading food and beverage producer in attractive end markets such as coffee, consumer food/snacks, and pet food, is also undergoing a portfolio transformation, but one we think has a high likelihood of success. The company has increased its dividend for 21 consecutive years and yields ~2.7%.

Market volatility in the first quarter offered opportunities to upgrade the risk/reward profile of the Fund at attractive prices. With a mix of traditional value and dividend payers, as well as a renewed focus on dividend growth, we like the collection of businesses we own.

The Fund's fixed income allocation consists of 33 high quality bonds diversified across ten sectors with the top allocations including U.S. Treasuries at 25.43%, Consumer Non-Cyclical at 15.49%, Financials at 14.05%, and Consumer Cyclical at 11.03%. The credit quality of the fixed portion remains high investment grade, A2/A/A+, with an effective maturity of 2.89 years, yield to worst of 4.75%, and duration of 2.57 years, up from 2.17 years at the end of the 2022.

Our allocation to floating rate notes within the fixed income portion of the Fund decreased to just 1.18% from 11.64% at the end of 2022. This material allocation change is based on our view that the Federal Reserve is more apt to pause rate hikes in the near term and potentially pivot, cutting Fed Fund rates, down the road. Our floating rate exposure has added positive performance over the last year, but we have taken the opportunity to trade into newly issued, higher coupon fixed rate corporate bonds, as the market has rerated in response to the Fed's hiking cycle.

The Federal Reserve continued tightening monetary policy during the first quarter of 2023, as economic (inflation) data points remain above targeted levels. Taking its foot slightly off the peddle, the Federal Open Market Committee raised the fed funds rate two times in the first quarter by 25 basis points (bps) at each meeting, compared to 75 basis points a meeting in the second half of 2022. Treasury rates with maturities longer than three months declined during Q1 causing the curve to flatten. The difference between the 30-year bond and the 3-month bill dropped to -115bps at the end of March, compared to starting the year around -44 bps. We used this drop in rates as an opportunity to reduce our floating rate positions and exit some of our fixed positions on strength (sold PayPal 24's, Citigroup 25's, Canadian Pacific Railway 24's, Disney 25's, and Stryker 25's). Having dry powder going into the second quarter will allow us the opportunity to deploy capital in higher coupon bonds, in keeping with our short duration/high quality preference.

In closing, our stocks, consisting primarily of high-quality dividend payers/growers, remain well positioned to provide investors with a stream of dividends that grows in excess of inflation. Meanwhile, the rise in short-term interest rates should enable our bond holdings to provide income at higher rates compared to previous years. We have the ability to extend duration if and when the risk/reward opportunity (yield compensation/duration risk) presents itself. For now, we feel comfortable picking up high income with low interest rate risk, which the market is providing. These strategies should position the Fund as a relatively low volatility, income-producing option for our clients.

### Top Ten Equity Holdings[1] - % of Net Assets

as of 03/31/2023

| | |
|---|---|
| Fairfax Financial Hldng Ltd[2] | 2.20 |
| Johnson & Johnson | 1.94 |
| Perrigo Company PLC[2] | 1.92 |
| Berkshire Hathaway Inc | 1.89 |
| Comcast Corp | 1.53 |
| Lamar Advertising Co | 1.49 |
| Elevance Health Inc | 1.49 |
| Watsco Inc | 1.47 |
| McDonalds Corp | 1.42 |
| Markel Corp | 1.38 |

The following chart represents Davenport Balanced Income Fund (DBALX) performance and performance of the Fund's primary benchmark, the blended 60% Russell 1000® Value and 40% Bloomberg Intermediate Government/Credit® Index for the period ended March 31, 2023.

| | Q1 2023 | 1 Year | 3 Year* | 5 Year* | Since Inception* 12/31/15 |
|---|---|---|---|---|---|
| Balanced Income Fund (DBALX) | 1.69 | -8.18 | 9.54 | 3.96 | 4.98 |
| 60% Russell 1000® Value/40% Bloomberg Index | 1.56 | -3.89 | 10.19 | 5.44 | 6.20 |
| 30-Day SEC Yield: 2.98%; Expense Ratio: 0.93% Current Expense Ratio†: 0.92% | | | | | |

*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.*

[1]*Holdings subject to change without notice. Current and future portfolio holdings are subject to risk.* [2]*Foreign Holding.* *Returns greater than one year are annualized. The blended **60% Russell 1000 Value/40% Bloomberg Intermediate Government/Credit Index** is included as an additional comparative index because it is representative of a balanced portfolio consisting of 60% equity and 40% fixed income securities. Equities are represented by the **Russell 1000® Value Index**, and fixed income is represented by the **Bloomberg Intermediate Government/Credit Index**. The **Russell 1000® Value Index** measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The **Bloomberg Intermediate Government/Credit 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. Intermediate maturity bonds include bonds with maturities of 1 to 9.999 years. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

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†The Current Expense Ratio is the expense ratio as a percentage of the Fund's average daily net assets as of the date listed above. The Current Expense Ratio may fluctuate based upon a number of factors, including changes in the Fund's net assets.

Risk disclosures:
DAVPX - The fund may not achieve its objective and/or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks.
DVIPX - The fund may not achieve its objective and/or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks. There is no guarantee that a company will continue to pay a dividend.
DEOPX - The fund may not achieve its objective and/or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies.
DSCPX - The fund may not achieve its objective and/ or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies.
DBALX - Investments in debt instruments may decline in value as the result of declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall), therefore the Fund's share price may decline during rising rates. Funds that consist of debt instruments with longer durations are generally more sensitive to a rise in interest rates than those with shorter durations. Investments in below investment grade quality debt instruments can be more volatile and have greater risk of default, or already be in default, than higher-quality debt instruments. Investments in municipal instruments can be volatile and significantly affected.
Please see the prospectus for further information on these and other risk considerations.
Performance shown is historical and is no guarantee of future results. Investing in securities carries risk including the possible loss of principal. Performance is shown net of fees.
***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**. Intermediate Term Bonds represented by the **Bloomberg Intermediate Government/Credit Index**.
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