



**I. Lee Chapman IV**  
 President & CEO

## *Happy New Year!*

The beginning of a new year is always exciting – it feels like a fresh start. This year, that is likely an understatement. Between an unprecedented pandemic that brought most of the country to a halt, widespread civil unrest, and a contentious political environment, ringing in a new year has never been so appealing.

Last March, the United States began to realize the severity of the coronavirus and the equity markets went into a free fall. By late March, many schools had moved to virtual learning environments, numerous businesses closed their doors, and events across the country were postponed. We were wholly unaware in those early days the tremendous disruption to our daily lives, and our country's economy, that would play out in the months to follow.

Despite a volatile market, on March 31 Davenport moved to a virtual environment. Our team set up home offices in dining rooms, kitchens, basements and guest bedrooms conducting business as usual, under very unusual circumstances. We are proud of our team's ability to make such a significant pivot without missing a beat; and we are grateful for your patience as we adjusted to new ways of delivering the same consistent service and financial advice you have come to expect from us.

Buoyed by unprecedented government stimulus, and despite many political and civil disruptions, the equity markets rebounded and even saw new highs prior to the end of 2020. It appeared the markets had already discounted the results of 2020 and had shifted their focus to a rebound in earnings in 2021. With the anticipation of a better 2021 already baked into the market, we believe more modest long-term asset returns should be expected. In the near term, news of a recovery from COVID-19 coupled with an accommodative monetary policy could fuel further gains and participation from more economically sensitive areas of the market. However, a setback in the fight against COVID-19 or a change in monetary policy could result in additional market turbulence.

In last year's Annual Letter to Clients, I mentioned Davenport's plan to launch a new end-user platform. Despite COVID-19 related delays in 2020, we anticipate converting to a financial services solution provided by Pershing LLC (a wholly owned subsidiary of BNY Mellon) in May 2021.

Pershing is a global technology leader for financial institutions with extensive industry experience. This collaboration will provide Davenport with upgraded operations and technology platforms, enabling us to deliver a more streamlined experience to you. The Pershing solutions will carry out certain aspects of our daily business operations, allowing us to focus on providing investment advice to our clients, which has always been our fundamental purpose and distinguishing characteristic. Below is a list of some of the enhancements you can expect to experience when the project is completed. Visit our firm website at [investdavenport.com](http://investdavenport.com) for additional information about these enhancements:

- More detailed account statements
- Increased Davenport Online website functionality
- Improved Davenport mobile app for phones and tablets
- Expanded portfolio reporting tools
- Electronic signature capabilities

In a world that can be unpredictable, Davenport remains employee owned and independent, and we want you to know you can count on us to be here for you. If you have any questions about our new affiliation with Pershing, please contact your Davenport Financial Advisor.

Thank you for your continued trust in us.