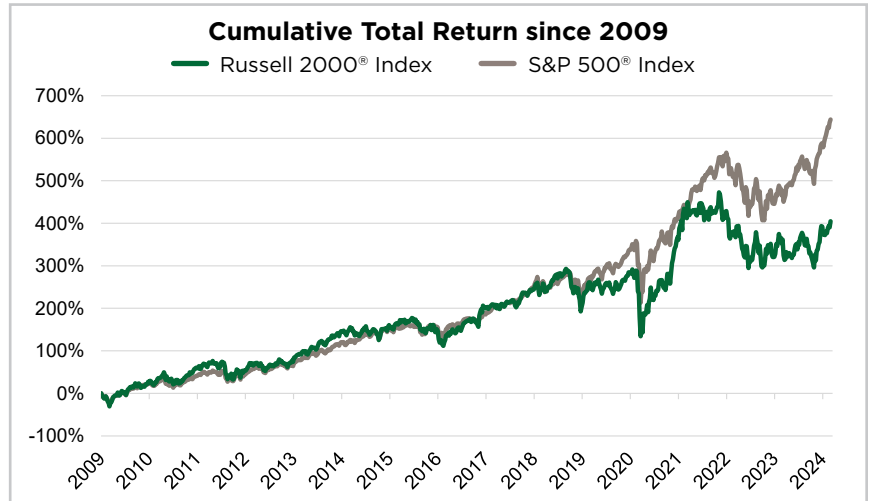


Small Caps' Divergence from the S&P 500® Index Presents Opportunity

Large cap stocks have enjoyed an incredible run since bottoming towards the end of 2022. Buoyed by the Artificial Intelligence (AI) boom and the tech giants that make up the Magnificent 7*, the S&P 500 Index defied near universal calls for recession in 2023 to rise over 26% by the end of the year. What's unusual about this recent bull run is the historic divergence in performance that's developed between large caps and small caps. Historically, a rising tide has lifted all boats, and both large and small caps have tended to rise mostly in tandem. Yet, while the S&P 500 has been striking new all-time highs in the first quarter of 2024, the Russell 2000 still has not overtaken its all-time high from November 2021.

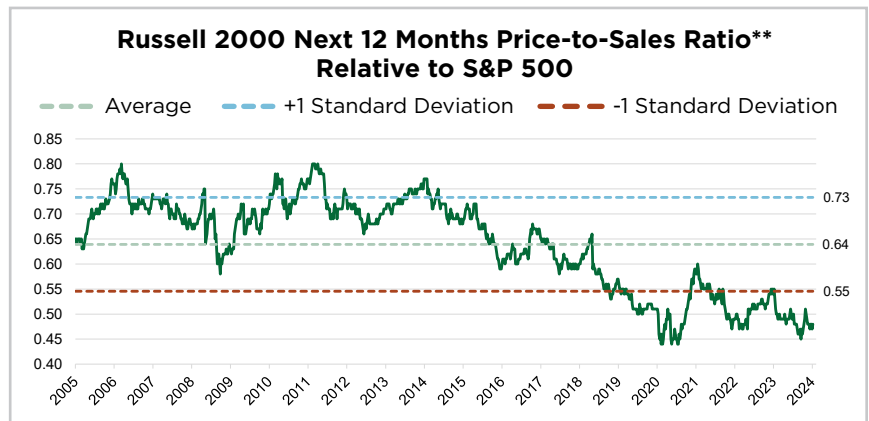


Source: FactSet financial data and analytics.

This bifurcation may portend big opportunities in small cap companies in 2024 and beyond should small caps mean revert back to historical returns vs large caps. The chart above clearly shows the wide performance gap that's developed between small caps and large caps.

This Divergence is Interesting for a Few Reasons:

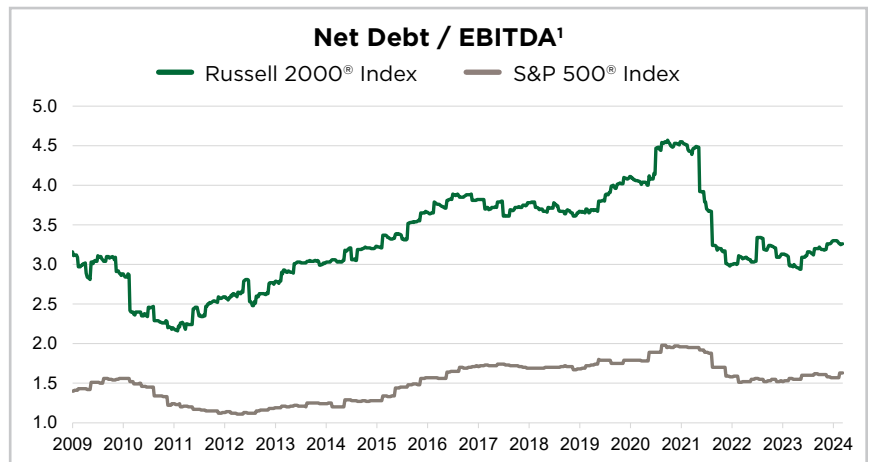
- Small caps outperformed large caps by around 1.6% per year from 1926 - 2020, but have been underperforming since.
- In a new bull market, historically large cap performance has lagged small caps.
- Small cap price-to-sales valuations appear to be low relative to large caps, as shown in the chart to the right.



Source: FactSet financial data and analytics.

Possible Rate Cuts in 2024 Bode Well for Small Caps

One possible factor for the divergence between small cap and large cap performance has been the Fed's rate hikes. From March 2022 through July 2023, the Federal Funds Rate rose 500 basis points (a basis point is one hundredth of 1 percentage point), the fastest rise in history. Small cap companies generally have tighter profit margins and higher debt loads than large caps (as shown in the chart to the right), so higher rates increase their cost to service their debt and put more pressure on already lower margins. Fed chairman Jerome Powell has indicated that rate cuts may be on the table for 2024, and if they materialize it may stand to benefit small cap companies more so than large caps.



Source: FactSet financial data and analytics.

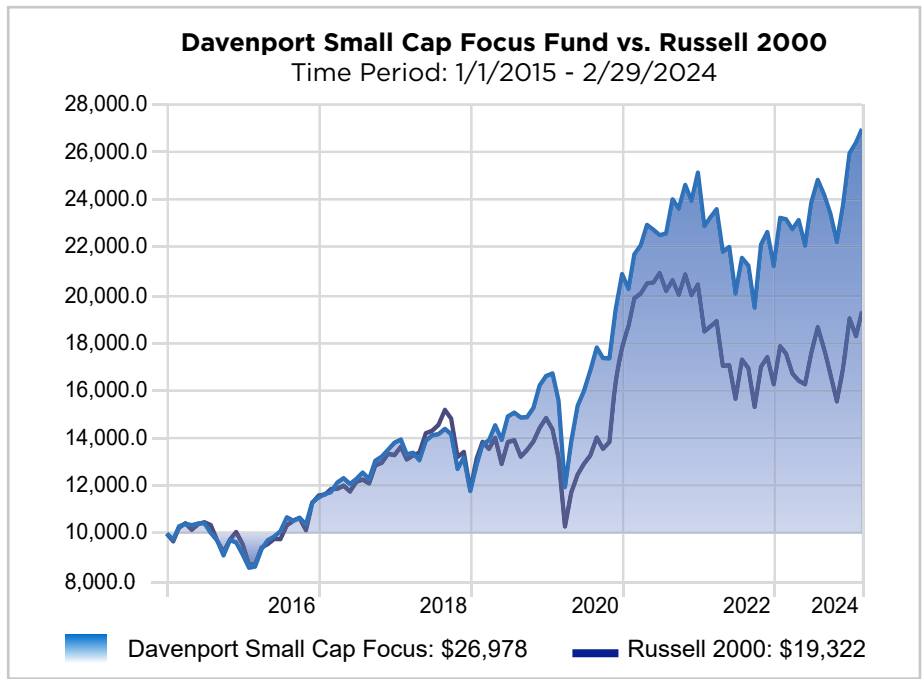
*Alphabet (GOOGL; GOOG), Amazon (AMZN), Apple (AAPL), Meta Platforms (META), Microsoft (MSFT), NVIDIA (NVDA), and Tesla (TSLA).

**The Price to Sales Ratio shows how much investors are willing to pay per dollar of sales. ¹Earnings Before Interest, Taxes, Depreciation, and Amortization.

Choose DSCPX for Small Cap Exposure

According to Morningstar’s US Active/Passive Barometer for Year-End 2023 report, the small cap universe is where quality active management can add significant value over indexing. The Davenport Small Cap Focus Fund (DSCPX) focuses on profitable, high-quality small cap companies with talented management teams and skin in the game. DSCPX is highly ranked by Morningstar in the Small Blend category:

- 5-star Morningstar rating (Overall Morningstar rating out of 585 Small-Cap Blend funds as of 2/29/2024 based on risk adjusted return.)**
- 1st percentile Morningstar rank for 5-year trailing returns†
- Over 3.5% annualized outperformance over the Russell 2000 since inception in 2015



Source: Morningstar Direct.

Speak with Your Davenport Financial Advisor Today About Your Small Cap Exposure and Investing in DSCPX

Investors should consider the Fund’s investment objectives, risks, charges, and expenses carefully before investing. The Fund’s prospectus and summary prospectus contain this and other important information, should be read carefully before investing or sending money, and may be obtained from www.davenportassetmanagement.com or by calling (888) 285-1863.

Total Return (%) Net of Fees

Last Month End: 2/29/2024	1 Month	QTD	YTD	1 Year	3 Year*	5 Year*	Since Inception*	Last Quarter End: 12/31/2023	1 Month	QTD	YTD	1 Year	3 Year*	5 Year*	Since Inception*
Davenport Small Cap Focus	2.19	3.94	3.94	16.35	7.50	14.44	11.44	Davenport Small Cap Focus	9.07	10.84	22.28	22.28	7.51	17.10	11.18
Russell 2000®	5.65	1.54	1.54	10.05	-0.94	6.89	7.45	Russell 2000	12.22	14.03	16.93	16.93	2.22	9.97	7.41

An investor may obtain performance data current to the most recent month end by calling (800) 846-6666, or by visiting our website at www.investdavenport.com. Performance shown is historical and is no guarantee of future results. Current performance may be lower or higher than the data quoted. 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. The fund’s gross expense ratio is 0.91%

Important Disclosures: *Returns greater than 1 year are annualized. †Rank in Category is the fund’s total-return percentile rank relative to all funds that have the same Small Cap Blend Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. As of 2/29/2024, DSCPX received Morningstar rankings of 9 out of 610 funds for the 1-year period and 1 out of 553 funds for the 5-year period based on total return. Total Return Source: Morningstar Direct. ©2024 Morningstar, Inc. As of 02/29/2024. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. DSCPX shown versus the Russell 2000 since 12/31/14. Past performance is no guarantee of future results. **Morningstar Disclosure:** The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. **DSCPX was rated against the following numbers of U.S. domiciled Small Cap Blend funds over the following time period(s): 585 funds in the last three years and 553 funds in the last five years. With respect to these Small Cap Blend funds, DSCPX received a Morningstar Rating of five stars for the three-year period and five stars for the five-year period. The weights are: 100% three-year range for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar does not provide ratings for the 1 year period. 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. The **Russell 2000® Index** measures the performance of the 2000 smallest companies in the Russell 3000® Index, representing approximately 8% of the total market capitalization of the Russell 3000. London Stock Exchange Group PLC and its group undertakings (collectively, the “LSE Group”). © LSE Group 2024. FTSE Russell is a trading name of certain LSE Group companies. “Russell®” is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from LSE Group is permitted without the relevant LSE Group company’s express written consent. 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