MARKET COMMENTARY

DAVENPORT
BUILDING WEALTH TOGETHER
1863

JULY 2021

- During June, the S&P 500® Index and Russell 2000® increased
- The best performing S&P 500 sector was Technology
- 2Q21 earnings season opens mid-month
- Inflation concerns are weighing on consumers
- Fed Policy appears likely to capture market attention in coming weeks

DAVENPORT EQUITY RESEARCH

Ann H. Gurkin
(804) 780-2166
agurkin@investdavenport.com

F. Drake Johnstone
(804) 780-2091
djohnstone@investdavenport.com

Jeff Omohundro, CFA
(804) 780-2170
jomohundro@investdavenport.com

Joel M. Ray, CFA
(804) 780-2067
jray@investdavenport.com

Brian Ward, CFA
(804) 698-2664
bward@investdavenport.com

Evan J. Gilbert
(804) 915-2749
egilbert@investdavenport.com

One James Center
901 East Cary Street, Suite 1100
Richmond, VA 23219
(804) 780-2000

Davenport & Company LLC
Member: NYSE | FINRA | SIPC

Markets digested a range of conflicting signals during June with inflation in key commodities rising amidst increasing COVID concerns linked to the Delta variant. Nevertheless, market complacency appears to be holding relatively high as reflected in the VIX index or "fear gauge" which ended the month at just below 16 having reached a high near 21 mid-month. For the full month, the Dow Jones Industrial Average decreased 0.1%, the S&P 500® index increased 2.2%, and the smaller cap weighted Russell 2000® increased 1.8%.

The best performing S&P 500 sector in June was Information Technology which increased 6.9% followed by the Energy sector which was up 4.5%. The weakest performances in the month were posted by the Materials sector which decreased 5.5% followed by the Financials sector which was down 3.1%. For the prior twelve-month period, the Financials sector was the best performer with a 58.4% increase followed by the Industrials sector which was up 49.1%, while Utilities was the worst performer for the past twelve months with a 12.1% increase followed by the Consumer Staples sector which was up 20.0%.

Housing has proved resilient so far through the pandemic and home prices surged in the most recent monthly report at the fastest pace recorded in 30 years according to the CoreLogic Case-Shiller National Home Price Index. The global head of the index investment strategy at the organization noted that "April's performance was truly extraordinary. The 14.6% gain in the National Composite is literally the highest reading in more than 30 years of S&P CoreLogic Case-Shiller data." Prices have been steadily on the rise over the past year with available inventory standing 21% below year ago levels (according to datasets from the National Association of Realtors). Now, sales trends have slowed as high prices have left many new homebuyers out of the market, while supply chain and construction worker availability have hampered new home construction.

On the manufacturing and labor front, the Institute for Supply Management's (ISM) report of June Manufacturing came in with a reading at 60.6 - a tad short of economist forecasts at 61.0 and down from the May stat at 61.2 - with supply chain issues hampering production along with challenges in filling open positions to meet rising demand. Still, June marked the 13th consecutive month of expansion in the manufacturing sector (with an index reading above 50.0) suggesting sustained momentum albeit at a somewhat slower pace. The end of June weekly employment report showed a greater than forecast drop in new claims for Unemployment Benefits that came through at 364,000 (down 51,000 from the prior week), representing the lowest figure since early in the COVID pandemic in mid-March 2020.

Recent labor participation reports remained unchanged at 61.6% viewed as disappointing given emergence from COVID being underway, while the average workweek slipped to 34.7 hours with a dip in manufacturing driving the unemployment rate to 5.9% from 5.8% reported in May. The post-COVID recovery of job markets will remain a key determinant for future Fed policy. We sense that this latest dataset will leave the Fed in 'watch and wait' mode with the upcoming July 28/29 FOMC session. Thus, COVID continues to hang over the job market with economists anticipating a gradual strengthening especially post Labor Day as folks are vaccinated; schools reopen; and, federal supplemental unemployment benefits expire.

Where to from here?

We anticipate uncertainty over timing for an actual shift in Fed policy (toward tightening) to overhang markets near term heading into 2Q21 earnings season that opens in mid-July. Further details on policy from the Fed could be forthcoming with the next FOMC session scheduled for July 28/29, but more likely later this summer with the annual Jackson Hole Economic Policy Symposium set for August 26-28. We look for sustained steady recovery of the U.S. economy into 2022 - albeit with peak growth expected to pass in the next two quarters - with the Fed tapering its $120 billion of monthly security purchases later in 2H21. We remain selective on committing new investment dollars, being focused on reasonably priced issues well positioned over the intermediate and longer term as the global economy gradually rebounds. Although, growth prospects for value/cyclicals remain sound into 2022, we sense that earnings momentum is near a peak, while the consolidation among growth stocks has created interesting investment opportunities we are focused on as many are positioned for strong sustained growth associated with secular trends that will likely persist independent of variable economic trends.

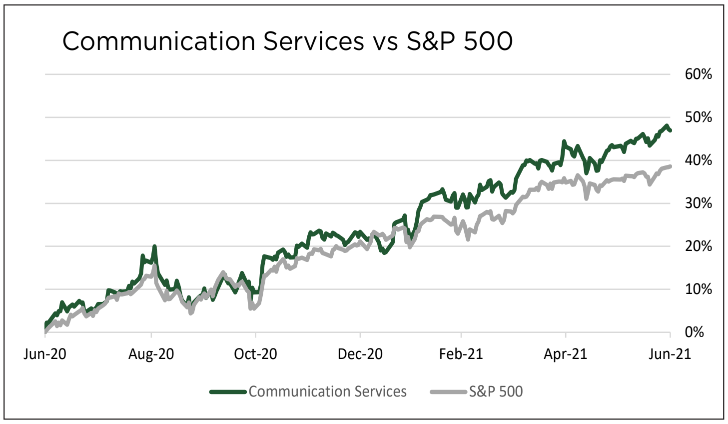
MARKET AND ECONOMIC STATISTICS

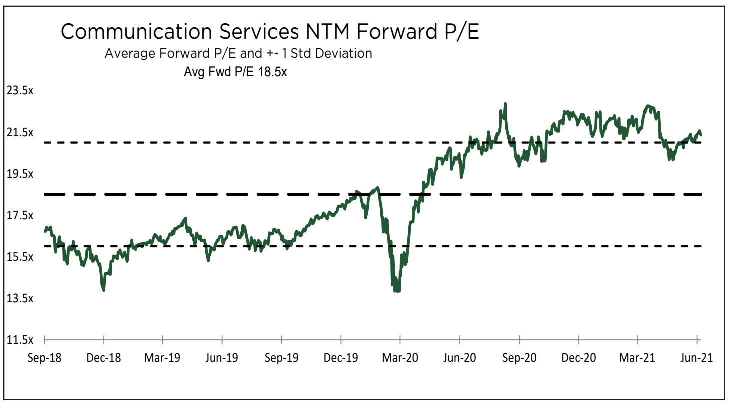
Market Indices:	**6/30/2021**	**12/31/2020**	**% Change YTD**	**5/28/2021**	**% Change (Monthly)**
S&P Composite	4,297.50	3,756.07	14.41%	4,204.11	2.22%
Dow Jones Industrials	34,502.51	30,606.48	12.73%	34,529.45	-0.08%
NASDAQ Composite	14,503.95	12,888.28	12.54%	13,748.74	5.49%
Russell 2000	2,310.55	1,974.86	17.00%	2,268.97	1.83%
FTSE 100	7,037.47	6,460.52	8.93%	7,022.61	0.21%
Shanghai Composite	3,591.20	3,473.07	3.40%	3,600.78	-0.27%
Nikkei Stock Average	28,791.53	27,444.17	4.91%	29,149.41	-1.23%
Stoxx Europe 600	452.84	399.03	13.49%	448.98	0.86%
MSCI Emerging Markets	1,374.64	1,291.26	6.46%	1,360.78	1.02%
MSCI Emerging Markets Small Cap	1,439.13	1,211.23	18.82%	1,401.29	2.70%
Performance of S&P 500 by Industry:	**% of Index as of 06/30/21**	**1 Month**	**3 Month**	**Year to Date**	**12 Months**
Consumer Discretionary	12.28%	3.75%	6.78%	9.92%	36.18%
Consumer Staples	5.86%	-0.53%	3.17%	3.63%	20.00%
Energy	2.85%	4.50%	10.13%	42.37%	41.71%
Financials	11.28%	-3.10%	7.93%	24.50%	58.40%
Health Care	12.99%	2.19%	7.98%	10.95%	25.79%
Industrials	8.54%	-2.28%	4.12%	15.57%	49.09%
Information Technology	27.42%	6.90%	11.30%	13.23%	41.00%
Materials	2.60%	-5.54%	4.51%	13.45%	45.71%
Communication Services	11.14%	2.71%	10.48%	19.12%	46.96%
Utilities	2.45%	-2.43%	-1.13%	0.79%	12.06%
Real Estate	2.58%	2.75%	12.31%	21.72%	28.20%
S&P 500 (Absolute performance)	100%	2.22%	8.17%	14.41%	38.62%
Interest Rates:	**6/30/2021**	**12/31/2020**	**YTD Change (Basis Points)**	**5/28/2021**	**Month Change (BPS)**
Fed Funds Effective Rate	0.06%	0.09%	-3	0.05%	1
Prime Rate	3.25%	3.25%	0	3.25%	0
Three Month Treasury Bill	0.05%	0.10%	-5	0.02%	4
Ten Year Treasury	1.47%	0.91%	55	1.59%	-13
Spread - 10 Year vs 3 Month	1.42%	0.82%	60	1.58%	-16
Foreign Currencies:	**6/30/2021**	**12/31/2020**	**% Change YTD**	**5/28/2021**	**% Change (Monthly)**
Brazil Real (in US dollars)	0.20	0.19	4.6%	0.19	5.2%
British Pound (in US dollars)	1.38	1.37	1.2%	1.42	-2.5%
Canadian Dollar (in US dollars)	0.81	0.79	2.7%	0.83	-2.6%
Chinese Yuan (per US dollar)	6.46	6.53	-1.1%	6.37	1.4%
Euro (in US dollars)	1.19	1.22	-2.9%	1.22	-2.7%
Japanese Yen (per US dollar)	111.11	103.25	7.6%	109.85	1.1%
Commodity Prices:	**6/30/2021**	**12/31/2020**	**% Change YTD**	**5/28/2021**	**% Change (Monthly)**
CRB (Commodity) Index	556.00	443.81	25.3%	548.54	1.4%
Gold (Comex spot per troy oz.)	1770.11	1898.36	-6.8%	1903.77	-7.0%
Oil (West Texas int. crude)	73.47	48.52	51.4%	66.32	10.8%
Aluminum (LME spot per metric ton)	2509.50	1973.60	27.2%	2458.51	2.1%
Natural Gas (Futures 10,000 MMBtu)	3.65	2.54	43.8%	2.99	22.2%
Economic Indicators:	**5/31/2021**	**12/31/2020**	**% Change YTD**	**4/30/2021**	**% Change (Monthly)**
Consumer Price Index	268.6	261.6	2.7%	266.8	0.6%
Producer Price Index	217.2	205.6	5.6%	214.9	1.1%
	Q1 2021	**Q4 2020**	**Q3 2020**	**Q2 2020**	**Q1 2020**
GDP Growth Rate (Quarterly)	6.40%	4.30%	33.40%	-31.40%	-5.00%
Unemployment Rate (End of Month)	**May** **5.8%**	**April** **6.1%**	**March** **6.0%**	**February** **6.2%**	**January** **6.3%**

*GDP growth rate is calculated as the percent change from the previous period seasonally adjusted at annual rates. **S&P Sectors were re-named at the end of 2001. The sector Industrials is a combination of the former sectors Capital Goods & Transportation.Sources: Wall Street Journal, Bloomberg, The Department of Labor, The Bureau of Labor Statistics, The Bureau of Economic Analysis, US Treasury website.

TABLE OF CONTENTS

COMMUNICATION SERVICES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.71%	10.48%	19.12%	46.96%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Twitter Inc	18.6%
	ViacomCBS Inc	6.6%
	Facebook Inc	5.8%
	Netflix Inc	5.1%
	Alphabet Inc	3.9%
Laggards	News Corp	-5.2%
	Take-Two Interactive	-4.6%
	News Corp	-4.5%
	Discovery Inc	-4.5%
	DISH Network Corp	-4.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$8.67	$11.53	$13.08
30.5x	22.9x	20.2x

Sector Update

The Communications Services sector appreciated 2.71% in June and 19.12% year-to-date (YTD), compared to the S&P 500 index, which rose 2.22% and 14.41%. Communications Services' 12-month forward P/E of 22.9x remains above its average forward P/E of 18.4x.

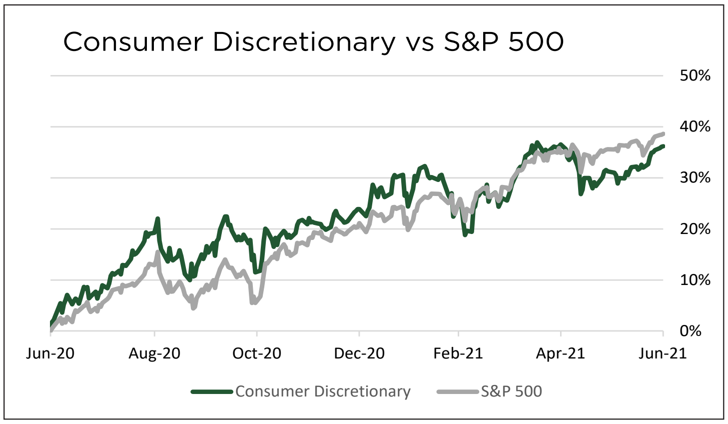
Interactive Media and Services was the best performing sub-sector in June (+4.8%) and the top sub-sector YTD (+35.6%), driven by the performance of Alphabet and Facebook. Both companies are benefiting from a broad resurgence in advertising spending by small businesses, large enterprises and travel and leisure companies.

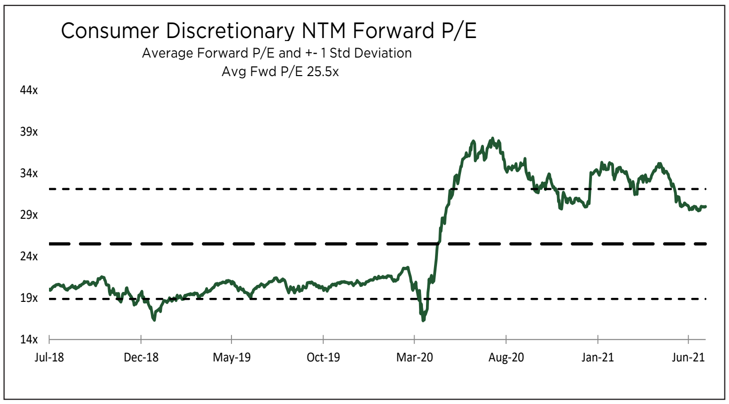
A Federal court in Washington, DC recently ruled in Facebook's favor in an antitrust suit brought against the company by the U.S. Federal Trade Commission. The Federal Court did not agree with the FTC's assertion that Facebook has dominant market share. In the U.S. Facebook's competitors include Alphabet's YouTube, Snapchat, Tik Tok, and Twitter.

The Media sub-sector underperformed in June (+0.3%) but remained the second best performing sub-sector YTD (+12.1%) driven by the performance of DISH Network, Fox, and News Corporation.

The widespread distribution of Covid vaccines is driving higher U.S. economic growth as normal economic activities resume. The Communications Services sector could continue to outperform the market in 2021, since most of the companies in this sector are economically sensitive.

CONSUMER DISCRETIONARY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
3.75%	6.78%	9.92%	36.18%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Etsy Inc	25.0%
	eBay Inc	15.3%
	NIKE Inc	13.2%
	Chipotle Mexican Grill Inc	13.0%
	CarMax Inc	12.1%
Laggards	Carnival CorpNews Corp	-10.8%
	Mohawk Industries Inc	-8.8%
	Las Vegas Sands Corp	-8.8%
	Royal Caribbean Cruises	-8.6%
	Whirpool Corp	-8.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$29.69	$41.45	$54.20
48.2x	34.5x	26.4x

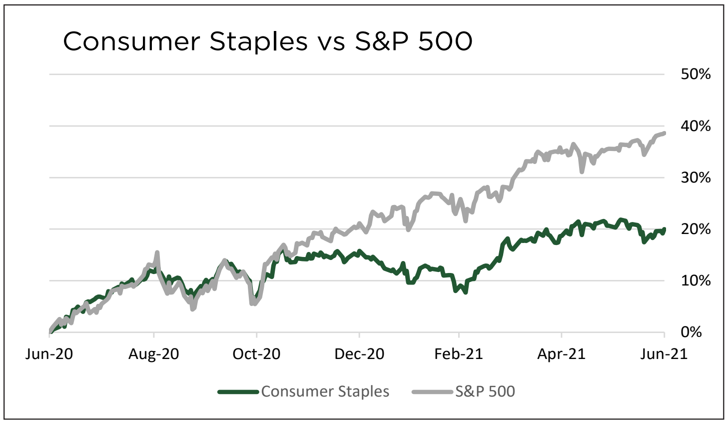
Sector Update

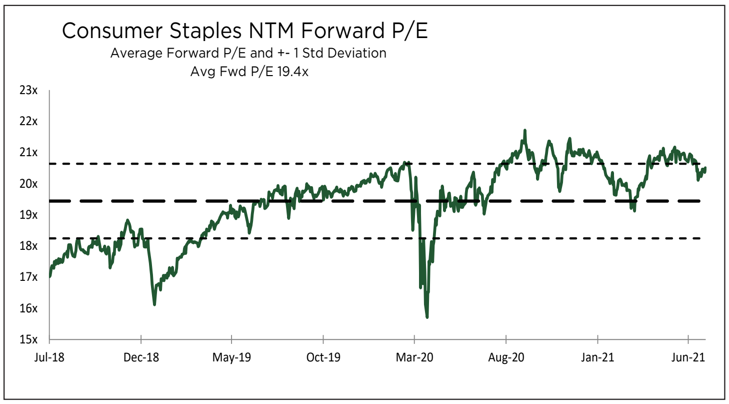
The Consumer Discretionary group held its own during June as the sector performance beat the S&P 500 index for the month. Outperformance in the group was driven by strength in online leaders while travel & entertainment companies particularly in the cruise line industry lagged. In addition, as seen in the associated table, the trailing twelve-month performance for the group is slightly underperforming the broader market over the period. The Consumer Discretionary group had experienced relatively strong outperformance during the pandemic as changing consumer spending patterns benefited companies in areas such as ecommerce.

The May retail sales report was released in mid-June and reflected a slowdown in the pace of spending. For the month, retail sales declined 1.3% with a shift in spending towards services. One factor that may be impacting the direction of consumer spending is reopening activities as Americans, particularly those who are vaccinated, decide to change spending priorities. Examples of this dynamic lie within key spending categories where restaurants experienced a lift while online sales declined. Another factor that may be impacting consumer spending choices could be higher prices which have occurred as supply chains have become tighter in recent months.

The continuing shortage of homes for sale is weighing on the market as existing home sales declined for the fourth straight month in May. The National Association of Realtors reported that May existing home sales dropped 0.9% to a seasonally adjusted rate of 5.8 million. On an annual basis, inventory of homes for sales dropped 20.6% versus the prior year. Although the monthly sales number in May is down from April, sales are still up a strong 44.6% compared with last year when the housing market dramatically slowed during the pandemic. Rising home prices continue to be a factor in the housing market with April home prices reported by Case-Shiller to have gained 14.6% in April across the nation as buyer demand exceeds available supply.

Consumer sentiment, as reported by the University of Michigan, improved in June rising to 85.5 from the May level of 82.9. Particular strength in sentiment was seen among higher earning consumers with annual incomes of more than $100,000. Commenting on the monthly sentiment outlook, Richard Curtin, Chief Economist of the University of Michigan, indicated: "All of the June gain was among households with incomes above $100,000, and mainly in the way they judged future economic prospects." Mirroring the sentiment index, the Conference Board reported that consumer confidence gained in June to 127.3 from 120.0 in May. Consumers appear more optimistic about economic and labor market conditions as vaccinations spread across the U.S. spurring activities such as leisure travel with 37.4% of respondents indicating that they plan to take a vacation at some time during the next six months.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.53%	3.17%	3.63%	20.00%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Costco Wholsale Corp	4.6%
	Estee Lauder Cos Inc	3.8%
	Kroger Co	3.6%
	Philip Morris International	2.8%
	Kimberly-Clark Corp	2.4%
Laggards	Archer-Daniels Midland Co	-8.9%
	Molson Coors Beverage Co	-7.9%
	Tyson Foods Inc	-7.2%
	Brown-Forman Corp	-6.7%
	Kraft Heinz Co	-6.4%

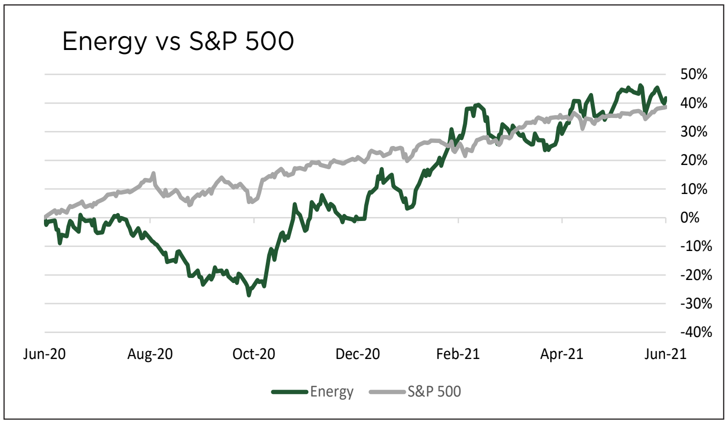
Consensus FY EPS / P/E

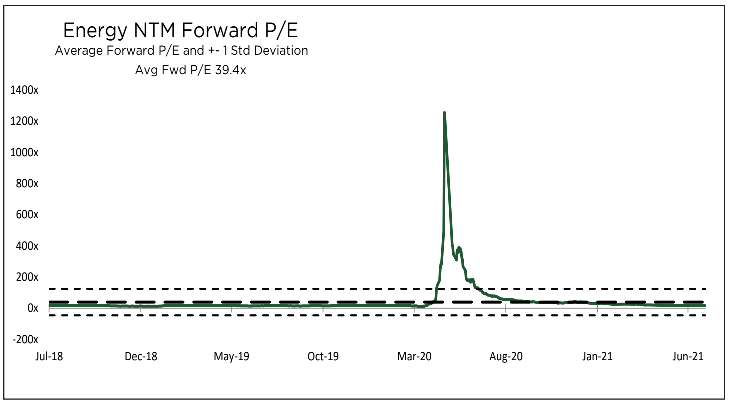
Last Year	Current Year	Next Year
$32.12	$33.54	$36.16
22.5x	21.5x	20.0x

Sector Update

The Consumer Staples sector decreased 0.53% on average in June, which underperformed the S&P 500 Index that increased 2.22%. For the month, Food & Staples Retailing, Personal Products and Tobacco sectors all reported gains. YTD, the Consumer Staples sector is up 3.63% and remains well behind the S&P Index that is up 14.41%. Grocery stores are passing through higher prices to customers following price increases from major packaged food and beverage companies to pass through input cost inflation and freight cost along with shortages due to production issues as the result of COVID disruptions. Many Consumer Staples companies have raised prices to offset rising input cost pressures (freight, labor, agricultural products, etc). Pricing should become more of a factor in the marketplace beginning in Q2. The Fed says that the current inflation is due to transitory factors as the economy reopens and consumer demand creates temporary supply constraints. Companies remain focused on navigating the current environment, executing behind core brands, launching break through innovation and returning value to shareholders. Interestingly, recent updates by several major food and beverage companies highlighted that at-home sales recognized at such outlets as grocery and club stores are remaining elevated at a higher level than expected despite the on-premise reopening trend. Global markets continue to operate at different reopening levels given the COVID-19 environment. In an ongoing lower rate environment, an investment in many of the Consumer Staples companies continues to offer an attractive dividend yield.

As the second quarter earnings season begins, companies with strong brands with leading market share positions, successful innovation, attractive cash flow generation and experienced management teams remain preferred investments. Those companies that have focused on costs and mix as well as product portfolio over the past year should emerge with a competitive position as markets reopen. Recent strong results for agriculture stocks reflect higher commodity prices resulting from tight supply/demand for crops, a recovering foodservice and on-premise segment and strong demand from China. Companies with exposure to health and wellness and nutrition benefit from favorable consumer demand. Emphasis on supporting momentum in the e-commerce segment remains a key strategy. Gas prices are up 20% vs pre-pandemic levels and that influences consumer purchase behavior. The potential rise in COVID variants and potential market restrictions remain key trends to monitor going into fall. Selective investment among the group remains critical in 2021.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
4.50%	10.13%	42.37%	41.71%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Occidental Petroleum Corp	20.5%
	Diamondback Energy Inc	17.3%
	Marathon Oil Corp	12.5%
	Devon Energy Corp	9.9%
	ConocoPhillips	9.3%
Laggards	Baker Hughes Co	-6.3%
	NOV Inc	-5.0%
	Valero Energy Corp	-2.9%
	Marathon Petroleum Corp	-2.2%
	Kinder Morgan Inc	-0.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
-$1.24	$21.64	$27.50
N/M	18.8x	14.8x

Sector Update

Energy stocks sharply outperformed the broader market in June as oil prices continued to march higher. An encouraging macro including widespread vaccinations despite rising COVID variants supported economic optimism and disciplined oil production provided a strong backdrop for sector performance in the month. The outlook has become more uncertain recently, however, with energy markets awaiting updates from a divided OPEC about the plans for future supply. We note that with the sector significantly outperforming the S&P 500 for the month, the group has now moved past the S&P500 on a trailing twelve month performance basis, as seen in the accompanying table.

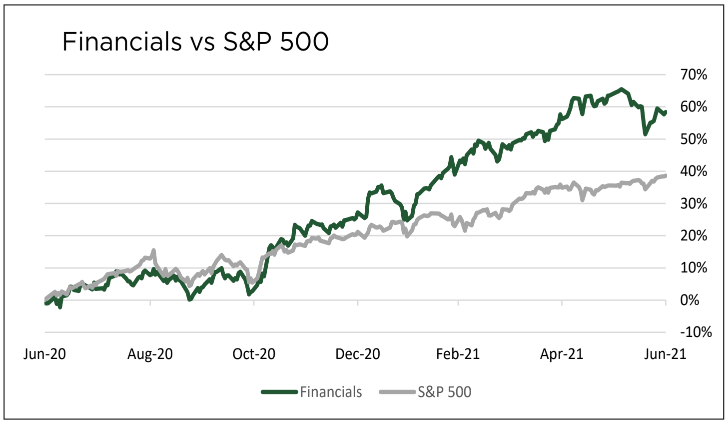
Expectations for recovering world oil demand were reiterated by OPEC in the organization's June oil report. OPEC laid out expectations for demand to rise 6.6% or 5.95 million barrels per day in 2021 which is in line with the group's forecast in May. OPEC pointed to uncertainty in the outlook linked to potential resurgence of COVID-19 particularly if new coronavirus variants were to emerge. Oil demand is anticipated to gain momentum during the second half of the year fueled by significant growth in the United States. World economic growth is expected to rebound from last year's pandemic slowdown rising 5.5% during 2021 with ongoing vaccinations and easing of lockdown restrictions contributing to the outlook for containment of the pandemic. Attention at the end of June turned towards the next expected meeting of OPEC where clarity on the pace of production increases was expected to be provided although a divided OPEC has recently weighed on expectations.

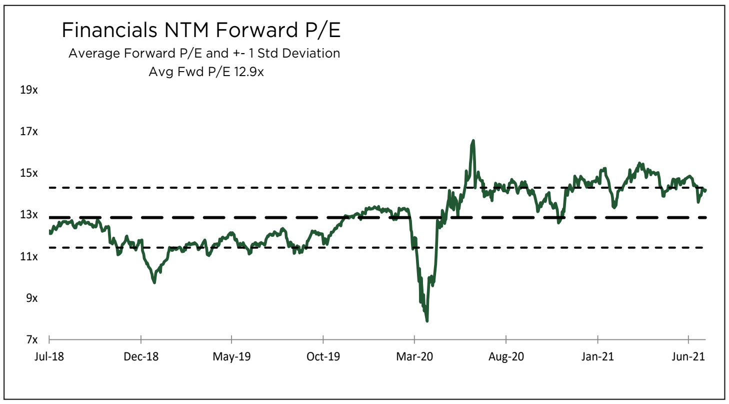
The International Energy Agency or EIA provided a bullish outlook for oil demand indicating that the organization anticipates demand reaching near pre-pandemic levels by the end of next year. The onset of the pandemic sharply curtailed oil consumption in 2020 by about 8.6 million barrels per day. The IEA is expecting a 5.4 million barrels per day demand recovery this year and another 3.1 million barrels next year. This outlook for a pickup in demand by the IEA was accompanied by a view that OPEC should "open the taps" in order to keep global supply on pace with demand.

Oil prices moved decidedly higher in June with WTI Crude oil increasing from a little over $66 per barrel at the beginning of the month to end the month at over $73 per barrel. Retail gasoline prices have been surging higher this year and in June prices continued to climb. At the end of June average retail gas prices reached $3.19 per gallon which is up from May at $3.12 per gallon and representing a steep climb from $2.26 last year.

The Baker Hughes oil rig count increased in the month coming in at 372 rigs on May 28 versus 359 rigs on May 28. Oil rig counts have been slowly climbing over the past several months as the macro backdrop has begun to recover. We note that the total rig count is above last year's level of 188 rigs which reflected the sharp prior year drop due to the pandemic. Crude oil production had been in a secular uptrend which continued through 2019 and into 2020 before reversing during the COVID-19 pandemic. The trough daily production seen in 2015 was in the 8.5 million barrels per day range and peaked in early 2020 at about 13.1 million barrels per day and is now at 11.1 million barrels per day at the end of June.

FINANCIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-3.10%	7.93%	24.50%	58.40%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	MSCI Inc	13.9%
	S&P Global Inc	8.2%
	Moody's Corp	8.1%
	CBOE Global Markets	7.0%
	Intercontinental Exchange	5.2%
Laggards	Regions Financial Group	-13.8%
	Willis Towers Watson PLC	-12.0%
	KeyCorp	-10.4%
	Truist Financial Group	-10.2%
	Citigroup Inc	-10.1%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$37.75	$43.08	$42.97
16.2x	14.2x	14.2x

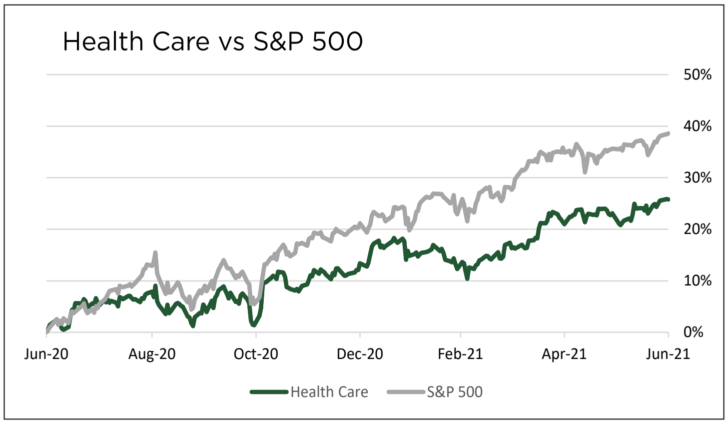
Sector Update

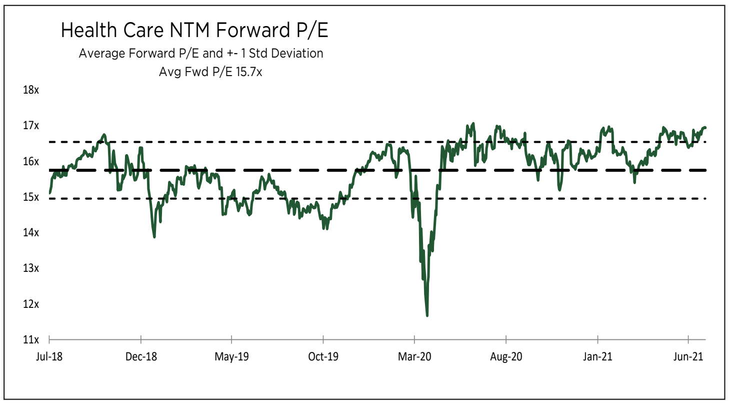
The Financials sector declined 3.1% in June, trailing a 2.22% improvement in the S&P 500®. Following several months of outperformance against the broader market, June performance reflected profit taking and creeping concerns regarding a flatter yield curve. Over the last three months, the sector gained 7.93% compared to 8.17% for the S&P. On a trailing twelve-month basis, the sector outperformed the broader market index by just under 20 percentage points, up 58.4% from pandemic lows. The sector's sensitivity to a cyclical recovery has clearly translated into solid returns against a vastly improved macro backdrop; however, strong trailing twelve month and year-to-date performance appears to be a modest overhang on near-term improvement despite strong fundamentals.

The Capital Markets sub-sector, including all top five performers in the month, provided the strongest return in the sector at 1.6% in June. Banks were the laggards in June, down 5.5% from the prior month. Despite strong fundamentals in credit, better net interest margins, and renewed ability to return capital to shareholders—tough mid-year comps on trading activity and sluggish loan growth continue to be a challenge for the banks. We continue to expect improvements in loan demand based on industry commentary suggesting loan growth could move meaningfully higher into the back half of 2021 and early 2022 against weak prior year comparisons.

Stress testing results from the 2021 Comprehensive Capital Analysis and Review (CCAR) conducted by the Fed demonstrated strong capital levels among all 23 banks participating in the study. While this year's testing was anticlimactic after last year's downturn, the key factor from the release included lifting restrictions on capital return to shareholders based on trailing income. Following this release, major banks announced dividend increases including JPMorgan (JPM), Truist (TFC), Wells Fargo (WFC), Bank of America (BAC), and PNC Financial Services (PNC) to name a few.

We remain bullish on Financials given several supportive macro drivers over the near-term; however, we see opportunity in rotating new investment toward secular growth names that have experienced significant weakness on inflation and interest rate worries.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.19%	7.98%	10.95%	25.79%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Biogen Inc	29.5%
	ResMed Inc	19.8%
	Illumina Inc	16.7%
	Dexcom Inc	15.6%
	Eli Lilly & Co	14.9%
Laggards	Cigna Corp	-8.4%
	Univ. Health Services Inc	-8.3%
	Viatris Inc	-6.2%
	DENTSPLY SIRONA Inc	-5.5%
	Zimmer Biomet Holdings	-4.5%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$63.57	$84.50	$89.23
23.1x	17.4x	16.5x

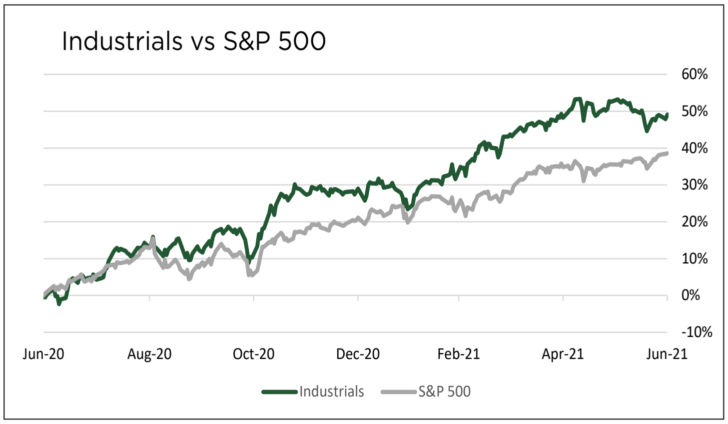
Sector Update

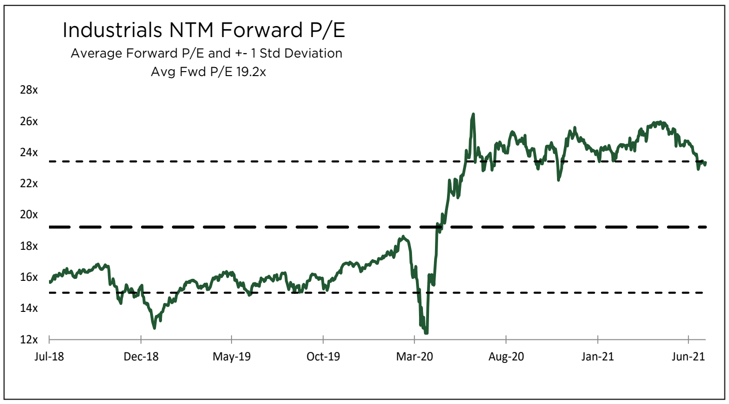
The past month saw markets advance steadily, while investors rotated into growth from value that saw the S&P 500® advance 2.22% that contrasts with the NASDAQ ramping by 5.49%. The Health Care sector performed in the middle of the pack among S&P sectors, rising by 2.19%, with growth oriented biotechnology and life sciences subsectors being relatively strong performers delivering gains of roughly 4-8%. In contrast, health care providers and pharmaceuticals deemed to be value issues lagged, while the med tech subsector lagged as firms having exposure to COVID diagnostics reported a sooner than expected deceleration in product demand as the pandemic winds down in the U.S. Thus, after lagging in general over the late 2020/early 2021 period as reopening issues surged, as the adjacent data illustrate, over the past 3 months the overall health care sector has closely mirrored the S&P 500.

At this time, the health care sector continues to trade at ~17.4x forward earnings that is above the historical average 15.7x multiple – consistent with valuations seen since spring of 2020 as COVID set in - but also representing a measurable discount to the S&P 500 multiple. We continue to see solid prospects among select health care related issues – notably for growth-oriented stocks in the medical technology, life science and biotechnology subsectors where we see increased demand for COVID-deferred medical treatments driving elective surgeries, while R&D focused efforts notably in gene therapies are expanding. In addition, psychology toward large cap pharmaceuticals has varied of late and could remain in flux, influenced by potential Biden Administration reform to Medicare program payment for branded drugs.

Individual stock performance has also been influenced particularly by company specific developments of late. Biogen shares surged by just under 30% after the company gained FDA approval on a controversial new therapeutic, Aduhelm for Alzheimer's', while Cigna reported a solid 1Q21, but offered future guidance a bit light of analyst expectations. Illumina shares advanced smartly as this leading life sciences technology firm has experienced strong demand with R&D facilities reopening post COVID with gene therapy R&D appearing to be a key growth avenue for the 2020's. And, Viatris shares have experienced modest downside post formation of the newco with the spring 2021 merger of Pfizer's Upjohn division with Mylan that has seen an initial shakeout of the investor base.

INDUSTRIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-2.28%	4.12%	15.57%	49.09%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Generac Holdings Inc	26.3%
	Rockwell Automation Inc	8.5%
	Cintas Corp	8.1%
	IHS Markit LTD	7.0%
	Carrier Global Corp	5.8%
Laggards	Southwest Airlines Co	-13.6%
	Alaska Air Group Inc	-12.8%
	American Airlines Group	-12.5%
	Snap-on Inc	-12.2%
	United Airlines Holdings	-10.4%

Consensus FY EPS / P/E

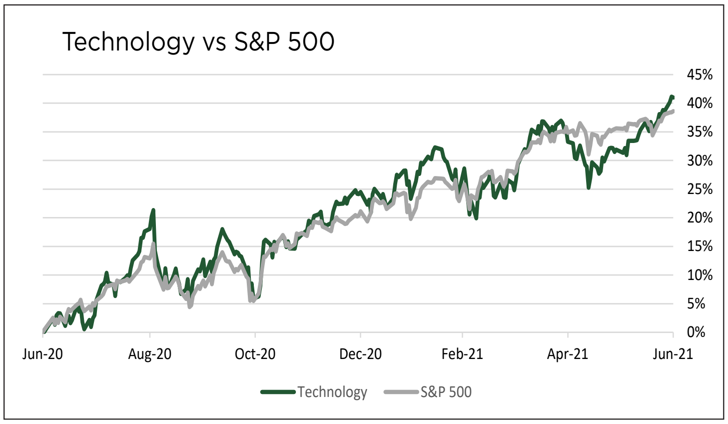
Last Year	Current Year	Next Year
$14.76	$31.38	$42.74
58.7x	27.6x	20.3x

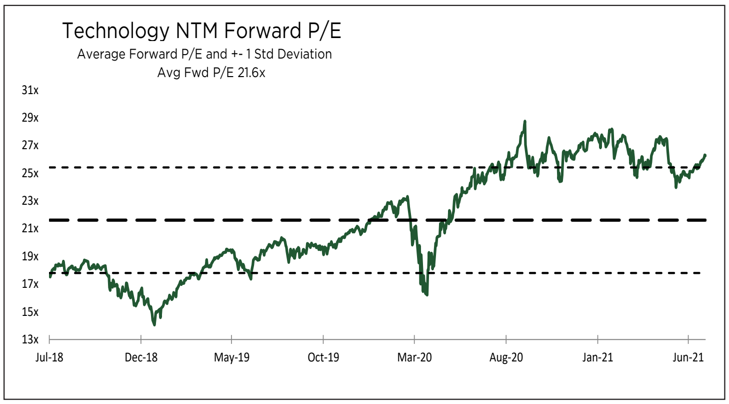
Sector Update

Industrials underperformed the broader market in June as a rotation out of cyclicals and into growth underpinned a major shift in investor sentiment during the month. Within the sector, the airlines subset dramatically underperformed and was down nearly twelve-percent for the period, led by Southwest Airlines, Alaska Air Group, American Airlines Group and United Airlines Holdings, each stock among the top five laggards. Generac Holdings and Rockwell Automation led performance within the electrical equipment group.

Domestic manufacturing activity expanded again in June, according to the ISM Manufacturing PMI, that registered 60.6% for the month. While the index pulled back modestly from 61.2% in May, the PMI remained over sixty for the fifth straight month - well above the 50% expansion/contraction threshold. The prices index increased for the thirteenth consecutive month and reached the highest level in more than forty-years. Raw materials prices continue to rise on limited supply and heightened demand as the economy recovers. The survey called out long raw material lead times, component shortages and transportation difficulties as contributing factors on the supply side. In addition, labor availability appears to be limiting manufacturing upside near term. The elevated backlogs and low customer inventories could lead to sustained levels of production, and survey panelists remain optimistic for the domestic manufacturing outlook. Manufacturing activity in the Eurozone hit a new all-time high again in June with a PMI reading at 63.4% according the IHS Markit data. Surging demand and reopening of the Eurozone economy is driving momentum in the manufacturing sector. While supply side constraints are limiting production upside, capacity investment and employment growth support a more optimistic outlook, according to the survey. Manufacturing activity in China softened in June, as reports of increased Covid-19 cases influenced domestic demand while new export orders also moderated.

Residential housing data remains mixed. Existing home sales declined for the fourth consecutive month as low inventory levels and rising home values crowd out would-be buyers. The median home price for single-family homes was $357k in May, representing a 24% increase over the prior year period and prices were higher in every region across the country during the month. Properties stayed on the market for approximately seventeen days in May and first time-homebuyers accounted for 31% of sales, down from 34% last year. At the same time, pending home sales surprised to the upside in May, rebounding sequentially from the prior month's dip. According to the National Association of Realtors, more properties may come to market later this year as the federal mortgage forbearance program unwinds. New construction activity for single family units could also help alleviate supply issues to some extent. Investors will be monitoring the housing market as an important factor influencing consumer confidence while industry trends also have major implications for other adjacent markets across the industrial landscape.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
6.90%	11.30%	13.23%	41.00%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Enphase Energy Inc	28.4%
	NVIDIA Corp	23.1%
	Advanced Micro Devices Inc	17.3%
	Adobe Inc	16.1%
	ServiceNow Inc	16.0%
Laggards	Hewlett Packard Enterprise	-8.6%
	Seagate Tech Holdings	-8.2%
	Fiserv Inc	-7.2%
	FleetCor Technologies Inc	-6.7%
	Corning Inc	-6.3%

Consensus FY EPS / P/E

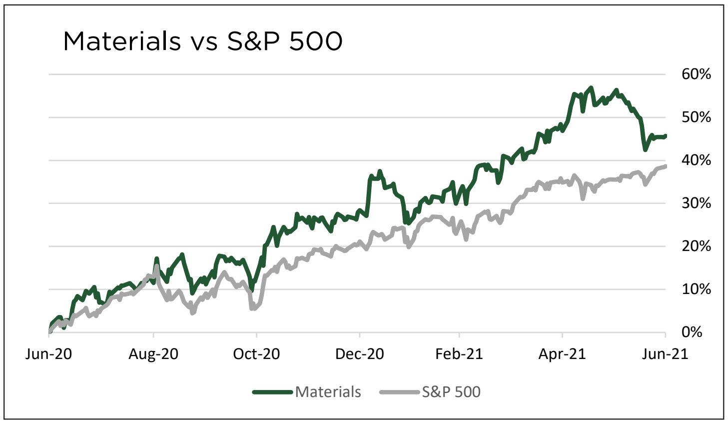
Last Year	Current Year	Next Year
$73.92	$91.61	$101.70
35.1x	28.3x	25.5x

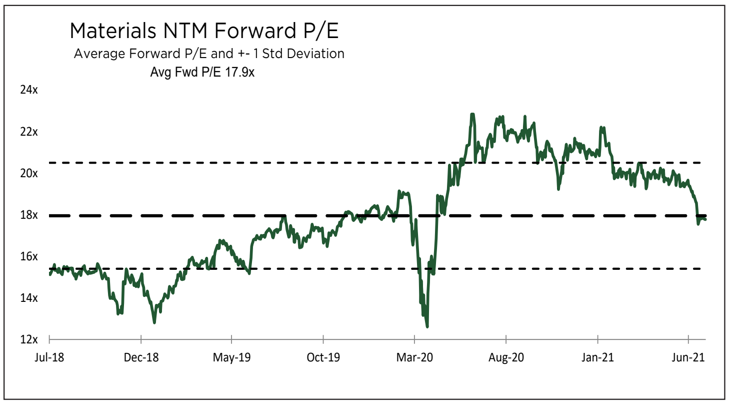
Sector Update

The Technology sector outperformed the market in June (+6.9%) but continued to lag the market year-to-date (+13.23%). While Technology Hardware, Storage and Peripherals was the top sub-sector in June (+9.2%), the underperformance of Apple impacted sector YTD results (+4.3%). Software was the second best performing sub-sector in June (+8.3%) driven by better than expected results from Adobe Systems, Oracle, and Salesforce.com. The companies noted a broad based recovery in demand across geographies and industries as companies increased their investment in their digital transformation.

The Semiconductor and Semiconductor Capital Equipment sector was the second best performing sub-sector in June (+7.3%) driven by the performance of Advanced Micro Devices (AMD) and NVIDIA. Advanced Micro Devices (AMD) reported better than expected results as it continued to gain server market share against Intel in the cloud data center market. AMD could continue to gain market share in the near-term, since Intel will not introduce the newest version of its Xeon server chip until Q-2 22, compared to its prior guidance of late 2021. Both AMD and Intel may face increased competition in 2023 when NVIDIA introduces its new Grace computer system (includes NVIDIA's Grace CPU and GPUs) with potential performance that is 10x faster than a computer system today based on AMD CPUs and NVIDIA GPUs.

Given that technology companies are reporting a broad based recovery across geographies and industry sectors, they could continue to deliver better than expected results. This could enable the Technology sector to outperform the market in the near-term despite sector valuations (P/E of 28.3x) that remain above the historical average (21.6x).





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-5.54%	4.51%	13.45%	45.71%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Intl Flavors and Fragrances	5.5%
	Sealed Air Corp	4.2%
	Amcor PLC	2.5%
	Albermarle Corp	0.8%
	Ball Corp	-1.4%
Laggards	Newmont Corp	13.7%
	Freeport-McMoran Inc	-13.1%
	Mosaic Co	-11.7%
	Packaging Corp of America	-8.9%
	Westrock Co	-8.7%

Consensus FY EPS / P/E

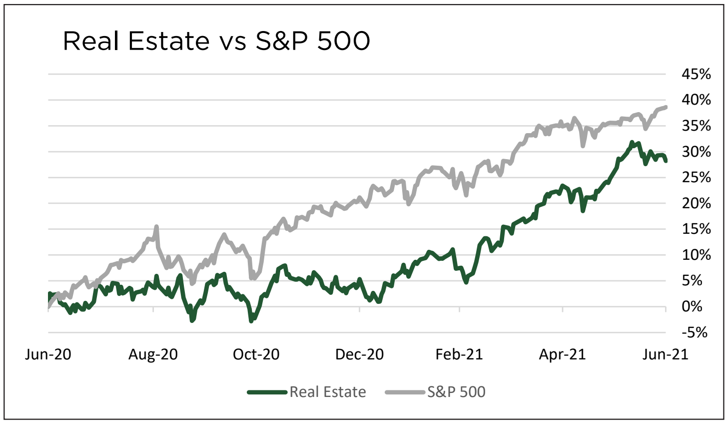
Last Year	Current Year	Next Year
$18.31	$28.70	$29.23
28.2x	18.0x	17.7x

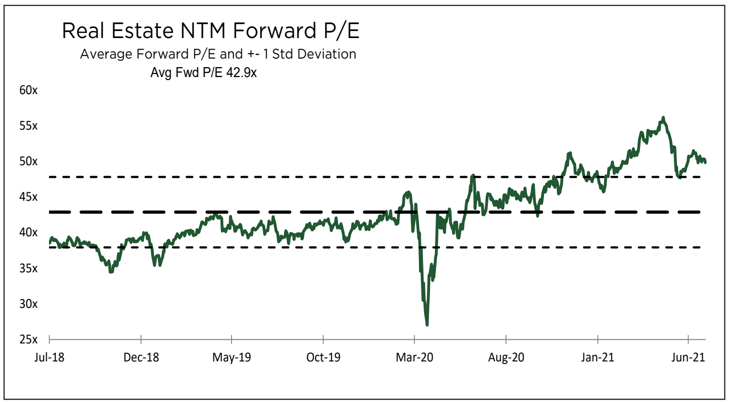
Sector Update

The Materials segment reported a decrease of 5.54% in June which reversed an increase reported in May and underperformed the S&P 500 Index that increased 2.22%. All four segments posted declines for the month with the greatest decline of 12% for the Metals and Mining segment reflecting higher costs related to material inputs and shipping challenges. YTD, the Materials segment is up 13.45% vs the S&P 500 Index up 14.41%. The Metals and Mining segment remains the strongest performer and up over 30%. Commodities have been mixed lately with copper, corn and, gold relatively flat while lumber prices are down sharply with declines of 45-50% from peak levels. Oil prices continue to trend higher supported by increasing demand as global economies reopen and recently called off talks with OPEC nations on production output. Improving supplies are benefitting chemical prices and companies continue to monitor regulatory risk from China. For 2H, key focus centers on a potential infrastructure bill, the pace of global market re-openings and strengthening consumer demand. As companies enter the second quarter earnings season, the continued favorable operating environment should remain a key positive tailwind. Demand remains strong for electric vehicles creating opportunities for lithium suppliers, car manufacturers and battery makers. Paper companies are raising prices in 2H driven by tighter markets and strong demand. Companies with leading market shares and strong execution should capture higher market share as markets reopen. Strong company cash generation and balance sheets support expected renewed share repurchases and potential M&A activity. Selective investment among the group remains a key factor in 2021, but the outlook remains favorable. The potential rise in COVID variants and market restrictions remain key trends to monitor heading into the fall.

Housing prices continue to move higher with an impressive 14.6% annual gain as reported by the CoreLogic Case-Shiller National Home Price index for April. The rise represents the fasted pace of increase in more than 30 years. Tight housing supply combined with continued strong consumer demand supports the upward price movement. The supply of homes remains tight and supports ongoing higher demand for new home construction and pricing. Continued lower mortgage rates and high consumer savings rates remain positive tailwinds. The domestic single family housing supply declined 5.9% in May to a seasonally adjusted annual rate of 769,000 according to the US Census Bureau and missed the consensus estimate of 872,000. A key current variable remains new construction and the ability to source both supplies and labor to build new homes. Strong consumer demand should support the repair and remodel activity. The potential infrastructure bill remains a key focus. The House recently approved the $715 billion 'Invest in America' infrastructure bill. The bill focuses on improving and repairing roads, bridges, transit and rail, and ensuring clean drinking water. The negotiation with the Senate for final details in the bill remains with potential completion in September.

REAL ESTATE





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.75%	12.31%	21.72%	28.20%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	Welltower Inc	11.1%
	Extra Space Storage Inc	9.4%
	Equinix Inc	8.9%
	SBA Comms. Corp	6.9%
	Public Storage	6.4%
Laggards	Weyerhaeuser Co	-9.3%
	Iron Mountain Inc	-2.8%
	Boston Properties Inc	-2.5%
	Realty Income Corp	-2.4%
	CBRE Group Inc	-2.3%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$3.75	$5.39	$5.75
74.0x	51.4x	48.3x

Sector Update

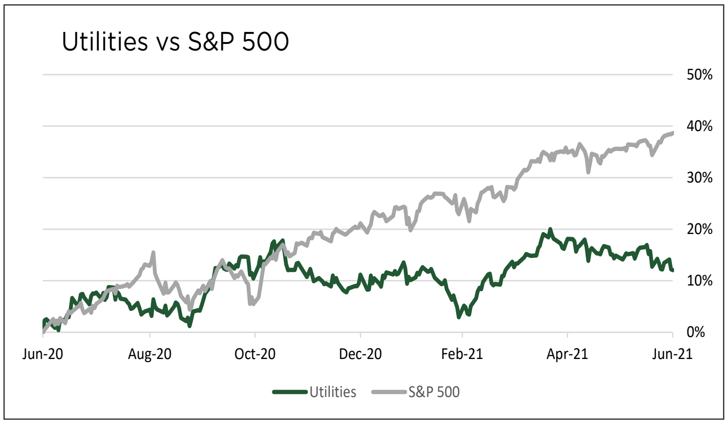
The past month saw markets advance steadily, while investors rotated into growth from value that saw the S&P 500® advance 2.22% that contrasts with the NASDAQ ramping by 5.49%. The Real Estate sector continues to outperform – a trend that has persisted over the past three quarters. However, rotation among investors back toward growth issues in June saw the positive outperformance gap enjoyed by the real estate sector shrink of late from a robust status earlier this year. As is illustrated in the adjacent graphics, for the month of June the real estate sector appreciated by 2.75% that contrasts with a 2.22% gain achieved by the S&P 500.

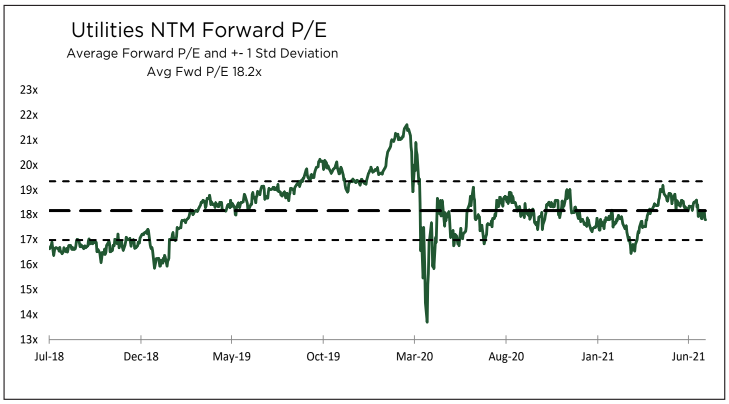
Latest economic reports point to a fast-paced economic recovery with 1Q21 GDP rising by 6.4%, while new claims for unemployment benefits continue to subside. Current estimates point to GDP gains approaching 9.0% in the 2Q21 – as peak growth arises. The U.S. has experienced a surge in demand for a range of products and services, while bottlenecks have limited access to raw materials and components (such as computer chips) that has affected some aspects of the real estate sector - notably building materials – that in addition to tightening labor markets has impeded home construction. Still, the common view remains that reopening and rising inflation trends represent positives for real estate that after an extended period of underperformance in 2020, has rebounded smartly in 2021 rising by 21.72% YTD, outperforming the S&P 500® that has advanced 14.41% (the second best 1H performance in and of itself over the past two decades).

As society reopens into 2H2021, the REIT sector experience will likely vary across the sector. The recovery of food and entertainment venues could take longer as the majority are independently owned and operated – having suffered severe setbacks in the past year, while staffing shortages persist given federal supplemental unemployment benefits that run into September. After an earlier surge in lumber prices drove a strong rebound in shares of Weyerhaeuser, in the past month prices have backed off by over 45% as supplies recovered – with WY trading in tandem falling back measurably in June.

However, other segments within the Real Estate sector continue to perform well with rising AFFO forecasts driving solid appreciation for health care REIT Welltower; self-storage firm Extra Space Storage; and, data center operator Equinix. We sense that economic recovery offers further appreciation potential for the Real Estate sector this year, with the key risk going forward being tied to interest rates that could weigh on bond proxy investments such as REITs if yields surge higher once again.

UTILITIES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-2.43%	-1.13%	0.79%	12.06%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
2.22%	8.17%	14.41%	38.62%

	Company Performance	1 Month
Leaders	NRG Energy Inc	25.3%
	Edison International	3.5%
	AES Corp/The	2.6%
	NextEra Energy Inc	0.1%
	American Water Works	-0.6%
Laggards	Consolidated Edison Inc	-7.1%
	Xcel Energy Inc	-7.1%
	DTE Energy Co	-6.1%
	CMS Energy Corp	-5.8%
	Southern Co/The	-5.3%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$15.27	$17.46	$18.68
21.1x	18.4x	17.2x

Sector Update

The Utilities sector declined 2.43% in June, falling behind the 2.22% improvement in the S&P500® over the same period. During the quarter, Utilities declined 1.13% compared to an 8.17% increase in the broader market index. On a trailing twelve-month basis, the Utilities sector improved just 12.06% and lagged the 38.62% improvement in the S&P by a wide margin after a strong recovery in the market from initial pandemic lows. We expect rising rates and inflation, paired with lack of momentum against a cyclical recovery could continue to be an overhang for the Sector in coming months.

Independent and Renewable Electricity Producers were the best performing sub-sector, up 2.6% in the month despite being the worst performer over the last quarter down 2.8%. Multi-Utilities were the worst performers, down 4.3% in June.

A key factor in the month's weak performance related to plunging payouts in the Pennsylvania-New Jersey-Maryland (PJM) Interconnection grid. PJM is the largest competitive wholesale transmission grid in the United States, serving 13 eastern states and the District of Columbia. Many utilities supplying the PJM grid will be affected by capacity pricing that fell to its lowest level since 2010 at just $50 per Megawatt hour compared to $140 in 2018. Several factors led to the plunge, including lower demand, higher transmission capacity, and new cheaper to build power plants entering the market. Utilities focusing on higher cost coal and nuclear generation are likely to be most affected. While many expected PJM auction prices to fall, the 64% decline was a surprise. A lack of PJM auction activity in 2019 and 2020 likely also contributed to decreased visibility on lower than expected bids.

While we continue to favor new investment in cyclically oriented or secular growth stories, the attractive yields and historically defensive characteristics of the sector could provide enhanced performance against potential market volatility. We encourage highly selective investment in the group, focusing on state regulated utilities with regulators supportive of strong multi-year capital backlogs focused on renewable and zero-carbon generation.

ECONOMIC CALENDAR

Date	Release	For	Prior
8-Jul	Initial Claims	7/3	364K
8-Jul	Continuing Claims	6/26	3.469K
8-Jul	EIA Natural Gas Inventories	7/3	+76bcf
8-Jul	EIA Crude Oil Inventories	7/3	-6.72M
8-Jul	Consumer Credit	May	$18.6B
9-Jul	Wholesale Inventories	May	0.80%
13-Jul	Core CPI	Jun	0.70%
13-Jul	CPI	Jun	0.60%
13-Jul	Treasury Budget	Jun	N/A
14-Jul	MBA Mortgage Applications Index	7/10	-1.8%
14-Jul	Core PPI	Jun	0.70%
14-Jul	PPI	Jun	0.80%
14-Jul	EIA Crude Oil Inventories	7/10	N/A
14-Jul	Fed's Beige Book	Jul	N/A
15-Jul	Continuing Claims	7/3	N/A
15-Jul	Empire State Manufacturing	Jul	17.4
15-Jul	Export Prices ex-ag.	Jun	1.70%
15-Jul	Import Prices ex-oil	Jun	0.90%
15-Jul	Initial Claims	7/10	N/A
15-Jul	Philadelphia Fed Index	Jul	N/A
15-Jul	Capacity Utilization	Jun	75.20%
15-Jul	Industrial Production	Jun	0.80%
15-Jul	EIA Natural Gas Inventories	7/10	N/A
16-Jul	Retail Sales	Jun	-1.3%
16-Jul	Retail Sales ex-auto	Jun	-0.7%
16-Jul	Business Inventories	May	-0.2%
16-Jul	Univ. of Michigan Consumer Sentiment -- Prelim	Jul	N/A
16-Jul	Net Long-Term TIC Flows	May	$100.7B
19-Jul	NAHB Housing Market Index	Jul	81
20-Jul	Building Permits	Jun	1681K
20-Jul	Housing Starts	Jun	1572K
21-Jul	MBA Mortgage Applications Index	7/17	N/A
21-Jul	EIA Crude Oil Inventories	7/17	N/A
22-Jul	Continuing Claims	7/10	N/A
22-Jul	Initial Claims	7/17	N/A
22-Jul	Existing Home Sales	Jun	N/A
22-Jul	Leading Indicators	Jun	1.30%
22-Jul	EIA Natural Gas Inventories	7/17	N/A
26-Jul	New Home Sales	Jun	N/A
27-Jul	Durable Goods --ex transportation	Jun	N/A
27-Jul	Durable Orders	Jun	N/A
27-Jul	FHFA Housing Price Index	May	N/A
27-Jul	S&P Case-Shiller Home Price Index	May	N/A
27-Jul	Consumer Confidence	Jul	N/A
28-Jul	MBA Mortgage Applications Index	7/24	N/A

ECONOMIC CALENDAR

28-Jul	Adv. Intl. Trade in Goods	Jun	N/A
28-Jul	Adv. Retail Inventories	Jun	N/A
28-Jul	Adv. Wholesale Inventories	Jun	N/A
28-Jul	EIA Crude Oil Inventories	7/24	N/A
28-Jul	FOMC Rate Decision	Jul	N/A
29-Jul	Chain Deflator -- Adv.	Q2	N/A
29-Jul	Continuing Claims	7/17	N/A
29-Jul	GDP -- Adv.	Q2	N/A
29-Jul	Initial Claims	7/24	N/A
29-Jul	Pending Home Sales	Jun	N/A
29-Jul	EIA Natural Gas Inventories	7/24	N/A
30-Jul	Employment Cost Index	Q2	N/A
30-Jul	PCE Prices	Jun	N/A
30-Jul	PCE Prices -- Core	Jun	N/A
30-Jul	Personal Income	Jun	N/A
30-Jul	Personal Spending	Jun	N/A
30-Jul	Chicago PMI	Jul	N/A
30-Jul	Univ. of Michigan Consumer Sentiment -- Final	Jul	N/A
30-Jun	EIA Crude Oil Inventories	06/26	NA

DISCLOSURES

This information has been compiled from various sources we believe to be reliable, however, there is no guarantee of its accuracy or completeness. Any opinion expressed herein is based upon our interpretation of the information from such source. This information is not furnished in connection with a sale or offer to sell securities or in connection with the solicitation of an offer to buy securities. Our firm, or its offices or members of their families, may at times, have a long or short position in the securities mentioned herein and may make purchases or sales of these securities while this memorandum is in circulation.

Past performance is not indicative of future results.

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.

Sectors and sector components defined by Standard & Poor's GICS Level 1 index. For the list of all holdings in GICS Level 1 index sectors, contact your Davenport Financial Advisor.

Leaders: Represent top five best stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Laggards: Represent top five worst stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Members: The GICS Level 1 Telecommunication Services sector has only three component companies. This sector will not include "Leaders and Laggards", but will show all three members and their price performance over the previous calendar month.

S&P 500®: 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.

Dow Jones Industrials: The Dow Jones Industrial Average is an index of 30 "blue chip" stocks of U.S. "industrial" companies.

NASDAQ Composite: The Nasdaq-100 Index is a "modified capitalization-weighted" index designed to track the performance of a market consisting of the 100 largest and most actively traded non-financial domestic and international securities listed on The Nasdaq Stock Market, based on market capitalization.

Russell 2000®: The Russell 2000® Index is a capitalization-weighted index designed to measure the performance of a market consisting of the 2,000 smallest publicly traded U.S. companies (in terms of market capitalization) that are included in the Russell 3000® Index. Source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. 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. The LSE Group does not promote/sponsor/endorse the content of this communication.

FTSE 100: The FTSE 100 is an index of the leading shares on the London Stock Exchange. Shanghai Composite: The SSE Composite Index is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Nikkei Stock Average: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States.

Stoxx Europe 600: The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Markets: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. (MSCI Website).

MSCI Emerging Markets Small Cap: The MSCI Emerging Markets Small Cap Index includes small cap representation across 23 Emerging Markets countries. With 1,889 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

US Dollar Index (USDX, DXY): An index (or measure) of the value of the United States dollar relative to a basket of currencies, often referred to as a basket of US trade partners' currencies.

VIX: The ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Shanghai Composite (SSE Index): The Shanghai Composite Index, also known as the SSE Index is a stock market index of all stock (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Certification: As the primary authors of this report, we hereby certify that the views and opinions expressed herein accurately reflect our personal views and opinions about the principal subject(s) of this report. Further, I hereby certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or personal views expressed herein.

Please contact your Davenport Financial Advisor for more information.

DAVENPORT
BUILDING WEALTH TOGETHER
1863

A Legacy of Excellence, a Commitment to Independence

Our mission is to serve our clients' best interests in pursuing their financial goals. We attract talented professionals who are guided by integrity and experience. Our firm fosters a collaborative environment in which time-tested principles are combined with current analytical tools to create investment strategies that serve our clients' needs. Independent and employee-owned since 1863, Davenport & Company is a trusted financial advisor to generations of families and institutions.

CORPORATE HEADQUARTERS

One James Center | 901 East Cary Street, Suite 1100 | Richmond, Virginia 23219
(804) 780-2000 (800) 846-6666
www.investdavenport.com

Abingdon
153 W. Main St., Ste. 100
Abingdon, VA 24210
(276) 274-8277

Atlanta*
515 E. Crossville Rd., Ste. 380
Roswell, GA 30075
(404) 865-4040

Charlotte*
101 North Tryon St., Ste. 1220
Charlotte, NC 28246
(704) 375-0550

Charlottesville
600 E. Water St., Ste. A
Charlottesville, VA 22902
(434) 296-9013

Danville
165 Holt Garrison Pkwy., Ste. 570B
Danville, VA 24540
(434) 836-5528

Farmville
101 North Main St.
Farmville, VA 23901
(434) 392-9813

Franklin
105 West Fourth Ave.
Franklin, VA 23851
(757) 562-0053

Fredericksburg
904 Princess Anne St., Ste. 102
Fredericksburg, VA 22401
(540) 373-1863

Greensboro
628 Green Valley Rd., Ste. 410
Greensboro, NC 27408
(336) 297-2800

Harrisonburg
3200 Peoples Dr., Ste. 220
Harrisonburg, VA 22801
(540) 383-6550

Kilmarnock
141 Technology Park Dr.
Kilmarnock, VA 22482
(804) 435-7705

Leesburg*
19301 Winmeade Dr., Ste. 218
Leesburg, VA 20176
(571) 223-5893

Lynchburg
1104 Commerce St.
Lynchburg, VA 24504
(434) 948-1100

Newport News
11827 Canon Blvd., Ste. 404
Newport News, VA 23606
(757) 595-5740

Norfolk
101 West Main St., Ste. 4000
Norfolk, VA 23510
(757) 314-3600

Richmond
901 East Cary St., Ste. 1100
Richmond, VA 23219
(804) 780-2000

Raleigh
3605 Glenwood Ave., Ste. 310
Raleigh, NC 27612
(919) 571-6550

Roanoke
10 Franklin Road S.E., Ste. 450
Roanoke, VA 24011
(540) 345-1909

Sanford
503 Carthage St., Ste. 300
Sanford, NC 27330
(919) 777-9823

Suffolk
330 West Constance Rd., Ste. 200
Suffolk, VA 23434
(757) 539-5355

Towson*
The Oxford Building
8600 LaSalle Rd., Ste. 618
Towson, MD 21286-2014
(410) 296-9426

Virginia Beach
477 Viking Dr., Ste. 200
Virginia Beach, VA 23452
(757) 498-4000

Williamsburg
5400 Discovery Park Blvd., Ste. 301
Williamsburg, VA 23188
(757) 258-2800

**Public Finance office.*