

## Objective:

Generate competitive investment returns while producing high levels of current income with below market volatility

## Management:

Christopher T. Kelley,  
Kevin Hopkins Jr., CFA,  
with oversight by the  
Investment Policy Committee

## Strategy Inception:

12/31/2012

## Overview

- Actively manage bond portfolio durations and compositions to maximize total return
- Invest in undervalued securities in the high grade domestic bond universe. Compositions and maturity structures will be amended with changing sector valuations and interest rate environments

## Investment Discipline

Portfolios emphasize sector and maturity diversification and income return over principal. Securities selected for:

- Stable to improving credit profiles
- Attractive valuations
- Maturity characteristics consistent with rate environment
- Changes made as economic factors influence the direction of interest rates.

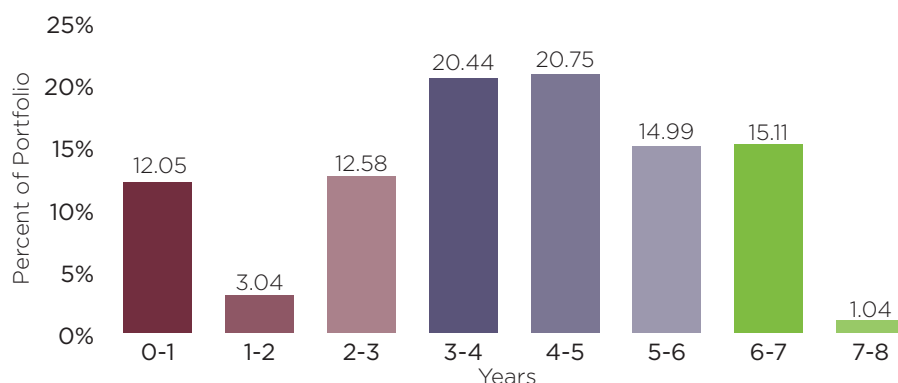
## Sector Allocations<sup>†</sup> % Assets



Automotive	4.18	Govt/Credit ETF	6.36
Communications	9.76	Health Care	3.69
Consumer Discretionary	9.31	Industrials	9.52
Consumer Staples	0.30	Materials	3.39
Corp ETF	5.45	Pharmaceutical	0.07
Energy	13.04	Technology	7.24
Financial	5.62	U.S. Treasury ETF	3.84
Floating Rate Notes	3.94	U.S. Treasury Securities	13.13
		Cash	1.16

## Duration Distribution<sup>†</sup>

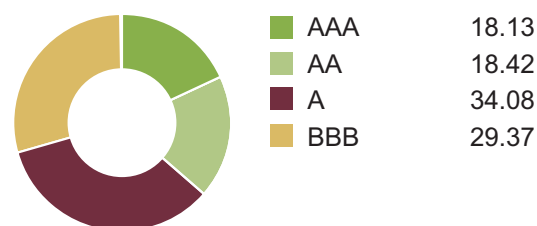
(in years)



## Portfolio Statistics<sup>†</sup>

Current Yield <sup>1</sup>	2.43%
Effective Maturity <sup>2</sup>	4.32 Years
Duration <sup>3</sup>	3.98 Years
Floating Rate Notes <sup>4</sup>	3.94%

## Quality Distribution<sup>† §</sup>



As of June 30, 2021

\*Performance shown on reverse is the actual performance of the Intermediate Duration Fixed Income Composite. The statistics and characteristics shown above are based on a hypothetical model due to the varied nature of the bonds held in Composite accounts. Accounts are invested as closely as possible to the model, based on availability of securities; statistics of an individual account may vary.

<sup>†</sup>Source: Bloomberg as of 06/30/2021. Holdings are subject to change without prior notice.

<sup>1</sup>Current Yield: the ratio of annual interest divided by asset price. <sup>2</sup>Effective Maturity: the average time for the return of a bond portfolio's return of principal. <sup>3</sup>Duration is a measure of the sensitivity of the price—the value of principal—of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. <sup>4</sup>A floating rate note, also known as a floater or FRN, is a debt instrument with a variable interest rate. A floating rate note's interest rate, since it is not fixed, is tied to a benchmark such as the U.S. Treasury bill rate, LIBOR, the federal funds or the prime rate.

<sup>§</sup>Ratings assigned by Moody's Investor Services, Inc. Investment grade bond ratings range from Aaa to Baa with Aaa the most highly rated. Investments in bonds and other fixed income securities may fall in value if interest rates change.

Generally, the prices of debt securities rise when interest rates fall, while their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes. An issuer suffering an adverse change in its financial condition could see the credit quality of its securities deteriorate, leading to greater price volatility of the security. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**You should consider each ETF's investment objectives, risks, charges and expenses carefully before investing. Each ETF's prospectus contains this and other important information, should be read carefully before investing or sending money, and can be obtained by contacting your Investment Executive, or by calling 800-846-6666.**

Please see the reverse page of this document for additional information. *Supplemental Information*

# Intermediate Duration Fixed Income Composite Returns



Performance is net and gross of fees and includes reinvestment of dividends and interest.

Period	Net of Fees		Gross of Fees		Barclay's 1-5 Yr Gov/ Credit		Composite Assets at End of Period (USD mm)		Total Firm Assets Under Management (USD mm)		Benchmark 3-Year	
	Total Return %	Total Return %**	Benchmark Return % BBIGC	Return %**	Number of Portfolios	% of Firm Assets	Internal Dispersion	Composite 3-Year Std Dev†	Benchmark 3-Year Std Dev†			
Q2 2021	1.0	1.1	1.0	0.3	106	126.9	1.2%	10,620.7				
Year to Date	-0.9	-0.7	-0.9	-0.3								
1 Year	0.2	0.8	0.2	0.4								
3 Years*	3.9	4.3	4.7	3.7								
5 Years*	2.3	2.7	2.6	2.2								
Since Inception*	2.2	2.5	2.4	2.9								
2020	5.0	5.4	6.4	4.7	87	108.8	1.2%	9,397.3	0.6	2.9	2.3	
2019	6.3	6.6	6.8	5.0	9	20.0	0.3%	8,161.2	0.4	1.6	2.0	
2018	0.3	0.6	0.9	1.4	11	25.5	0.4%	6,595.5	0.2	1.6	2.1	
2017	2.5	2.9	2.1	1.3	10	22.6	0.3%	7,347.5	0.2	1.7	2.1	
2016	2.0	2.3	2.1	1.6	7	18.4	0.3%	6,177.6	0.2	1.8	2.2	
2015	1.1	1.5	1.1	1.0	7	18.4	0.3%	5,524.2	0.2	1.7	2.1	
2014	1.9	2.2	3.1	1.4	4	6.0	0.1%	5,390.8	0.3			
2013	0.6	0.9	-0.9	0.3	4	5.6	0.1%	4,724.9	n/a			

As of 06/30/2021

\*Returns greater than one year are annualized. Gross returns do not include the deduction of transaction costs. Since Inception Date: 12/31/12  
\*\*Supplemental Information

**Performance shown is historical and is no guarantee of future results.** Investing in securities carries risk including the possible loss of principal. Composite performance reflects actual economic and market conditions. Significant cash flows and other unique circumstances can affect individual account performance.

**Definition of Firm:** Davenport Asset Management ("DAM") is a separate and distinct business entity of Davenport & Company LLC. DAM manages various investment strategies where DAM is responsible for security selection.

**Strategy Description:** The Intermediate Duration Fixed Income Strategy is for portfolios seeking high income levels, quality investments and liquidity when needed.

Davenport Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Davenport Asset Management has been independently verified for the periods January 1, 1984 through June 30, 2020. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification and performance examination reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards.

Performance results are presented net and gross of actual investment management fees and markups and markdowns where applicable. The Intermediate Duration Composite was created July 1, 2020 and the name was changed from Institutional Composite to Intermediate Duration Composite. Composite performance reflects actual economic and market conditions. Significant cash flows and other unique circumstances can affect individual account performance. The Intermediate Duration Fixed Income Composite includes the following requirements where applicable, among others: use of aggregate return method; use of total return to calculate performance; accrual accounting; use of trade-date reporting; use of time-weighted rates of return, monthly valuation and geometric linking of period returns; inclusion of cash and cash equivalents in returns; inclusion of all fee-paying, discretionary accounts in at least one composite; no linkage with simulated portfolios; the inclusion of new portfolios at the beginning of the first full month; exclusion of terminated portfolios after the last full month they were in place, but their inclusion for all months prior to terminating.

Portfolios below \$250,000 and accounts with margin balances have been excluded from the Institutional Fixed Income Composite. Performance results are presented in U.S. dollars. A complete list and description of DAM's composites and additional information regarding the firm's procedures for calculating and reporting returns are available upon request.

**Index Definitions:** The **Bloomberg Barclays Intermediate Government/Credit (BBIGC) 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.

The **Barclays 1-5 Year Government/Credit Index** measures the performance of U.S. dollar-denominated U.S. Treasury bonds, government related bonds (i.e., U.S. and non-U.S. agencies,

sovereign, quasi-sovereign, supranational and local authority debt) and investment grade U.S. corporate bonds that have a remaining maturity of greater than or equal to one year and less than five years. *An investor cannot invest in an index, and its returns are not indicative of the performance of any specific investment.*

Internal Dispersion is a measure of the spread of the annual returns of individual portfolios within a composite; standard deviation is utilized. The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

#### Annual Fees:

The Intermediate Duration Composite includes fixed income only accounts and the fixed income portion of balanced accounts where applicable.

#### Fixed Income:

- 0.40% on the first \$1,000,000
- 0.30% on the next \$4,000,000
- 0.20% on amounts over \$5,000,000;
- Minimum Fee: \$500 Quarterly

#### Fee only:

- 1.50% on the first \$1,000,000
- 1.25% on the next \$4,000,000
- 1.00% on amounts over \$5,000,000;
- Minimum Fee: \$625 Quarterly

#### Fee plus commission:

- 0.75% on the first \$1,000,000
- 0.50% on the next \$4,000,000
- 0.30% on amounts over \$5,000,000;
- Minimum Fee: \$6,000 Quarterly

*The fee is inclusive of investment advisory services, custody of assets and execution services where applicable and is generally a percentage of assets under management.*

The Global Investment Performance Standards ("GIPS") are a trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report.