

2017 Annual Notice to Clients

1. MARGIN DISCLOSURE STATEMENT: Securities purchased on margin are used by Davenport & Company LLC (Davenport) as collateral for the loan to you. If the securities in your account decline in value, there is a corresponding decline in the value of the collateral supporting your loan and, as a result, Davenport can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held at Davenport in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include:

- You can lose more funds than you deposit in the margin account. A decline in value of the securities that are purchased on margin may require you to provide additional funds to avoid the sale of those securities or other assets in your account.
- Davenport can force the sale of securities or other assets in your account(s).
- Davenport can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- Davenport can increase its house maintenance margin requirements at any time and is not required to provide you advance notice.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to an extension. If you have a margin debit balance, Davenport has the right to lend shares of the securities held in margin accounts whereby you, as the margin customer, may lose the ability to vote the securities held in such margin accounts.

Interest expense on margin loans may not be deductible. For example, interest expense of margin loans collateralized by tax-exempt securities is not deductible, nor is interest expense deductible when the proceeds of the margin loan are used to purchase personal assets (defined as assets that are not investments nor used in a trade or business). Please consult with your tax advisor regarding the deductibility of the interest expense on your margin loan.

2. AVAILABILITY OF STATEMENT OF FINANCIAL CONDITION: Davenport provides you with periodic reports of its Statement of Financial Condition, as well as its Annual Report, by making them available on its website. Davenport asks that you visit www.investdavenport.com to obtain a current Statement of Financial Condition. Printed copies of the Statement of Financial Condition may be obtained by calling your Financial Advisor or (800) 846-6666. Upon request, the Statement of Financial Condition will be mailed to you promptly at no charge.

3. NET CAPITAL REQUIREMENT: Davenport is required by the SEC and FINRA to maintain minimum net capital equal to the greater of \$250,000 or 2% of aggregate debit balances arising from customer transactions. As of December 31, 2016, Davenport's net capital of \$29,635,606 was 43.2% of aggregate debit balances and was \$28,263,145 in excess of the minimum net capital required.

4. IMPORTANT INFORMATION WHEN OPENING A NEW ACCOUNT: To help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. When you open a new account, we will ask you for your name, address, date of birth and other information including your driver's license or other documents that will allow us to identify you. As part of our required program, we may ask you to provide various identification documents or other information to verify your identity. These documents may include government issued IDs and, if applicable, documents showing the existence of an entity, such as certified articles of incorporation, a government-issued business license, or other documentation. If you decline to provide such documents, Davenport may not be able to conduct securities business with you and may be forced to close such accounts or refuse to transact securities business. To aid in our identification process, Davenport has contracted with a third party vendor. If applicable, certain relevant information regarding your account may be passed to such third party to verify your identity.

5. PRIVACY PLEDGE TO CUSTOMERS: We respect your privacy and value the relationship we have with you. Our Privacy Pledge applies to only current or former individual customers who obtain financial products or services from Davenport primarily for personal, family or household purposes. It does not apply to partnerships, corporations, trusts or other non-individual customers, clients, or account holders. Davenport and its affiliates do not disclose any nonpublic personal information about current or former individual customers as defined above to anyone, except as permitted or required by law. We may disclose all of the information we collect, as described below, within the affiliated Davenport companies, which include a securities broker-dealer and registered investment adviser, trust company, and investment banking company. These companies include Davenport & Company LLC, Davenport Trust Company and Davenport Financial Advisors. To appropriately service your account(s), Davenport and its affiliates collect nonpublic personal information about you from affiliates, applications or forms you complete, and other information provided by you, whether in writing, in person, by telephone, electronically, or by any other means, such as your name, address, social security number, assets, income and debt. Additionally, we collect information about your transactions with Davenport and its affiliates, such as your account balance, trading activity, payment history, and parties to transactions.

We may disclose the information we collect to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. We have agreements in place with these companies that prohibit them from disclosing or using the information except as necessary for carrying out the purposes for which we disclosed the information. We may also disclose nonpublic personal information about you to non-affiliated third parties that assist us in servicing your account(s); to securities regulators as required by laws, rules and other applicable requirements; to others pursuant to subpoena; pursuant to your written request, or as otherwise permitted or required by law. We restrict access to your nonpublic personal information to those employees and agents who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. As with any business policy, we must respond to changes in the law or in our business needs. Accordingly, we reserve the right to modify our Privacy Pledge as permitted or required by law.

6. CYBERSECURITY: We maintain a comprehensive Privacy and Information Security Program (“Program”) of which Information Security is an integral part. We review, assess and update our security practices at reasonable intervals and in light of emerging risks and developments. For more information, please visit www.investdavenport.com.

7. RIGHTS CONCERNING ELECTRONIC TRANSFERS: As required under Regulation E of the Board of Governors of the Federal Reserve System, the following is notification of your rights concerning electronic transfers processed in your Davenport account. In case of errors or questions about your Electronic Transfers, call or write to:

Davenport & Company LLC
Attn: Manager of Operations/Money Market Area
P.O. Box 85678, Richmond, VA 23285-5678
Tel: (804) 780-2000 Toll-Free: (800) 846-6666

If you need more information or believe your statement contains an incorrect electronic transfer, you must contact Davenport no later than 60 days after we sent the first statement on which the problem or error appeared. In your communication, please:

- INDICATE YOUR NAME AND ACCOUNT NUMBER
- DESCRIBE THE ERROR OR THE TRANSFER YOU ARE UNSURE ABOUT AND EXPLAIN WHY YOU BELIEVE IT IS INCORRECT, OR WHY YOU NEED MORE INFORMATION
- STATE THE DOLLAR AMOUNT OF THE SUSPECTED ERROR. IF YOUR CONCERN IS MADE ORALLY, YOU MAY BE REQUIRED TO DOCUMENT IN WRITING WITHIN 10 BUSINESS DAYS OF THE ORAL NOTIFICATION

Davenport will disclose the results of its investigation no later than 10 business days from the date your question is received, and any error will be corrected promptly; however, if Davenport requires more time for its investigation, a period of up to 45 days may elapse while the issue is researched. If an extended period of research is decided upon, your account will be credited, within 10 business days of the decision, for the amount in question, in order for you to have use of the funds while the investigation is conducted. If you are asked to put your question or complaint in writing and it is not received by Davenport within 10 business days, your account may not be credited. If it is determined that there was not an error, you will receive a written explanation three business days from the date the investigation is completed. You may ask for copies of the documents used in the investigation. If you have any questions regarding the information, please contact your Financial Advisor, or call a Compliance Officer at (800) 846-6666.

8. COMPENSATION FOR ORDER FLOW AND ORDER ROUTING INFORMATION: Consistent with securities industry practice, we may receive compensation from other dealers or market centers. Such compensation may include cash payments as well as non-cash items such as discounts, rebates, reductions, or credits against fees that would otherwise be payable in full. We consider a number of factors when determining where to send customer orders including, but not limited to, price improvement opportunities, the availability of efficient and reliable order handling systems, the level of service provided, and the cost of executing orders. We regularly review transactions for quality of execution. The source and amount of any compensation received in connection with your transactions will be disclosed upon written request.

Davenport is committed to seeking the best possible executions for its customers’ orders. To accomplish this, customer orders are directed to various market centers that Davenport believes provide superior executions. Upon written request, Davenport will identify where a particular customer order was routed for execution during the past

six months along with the execution time and whether the order was directed or non-directed. In addition, quarterly reports are prepared pursuant to Rule 606 that identify where customers’ non-directed orders in covered securities are sent for execution, along with the nature of Davenport’s relationship with the various market centers that received those orders. The most recent quarterly report that details this order routing information is available at www.investdavenport.com, and a written copy will be furnished upon request.

9. PENNY STOCKS OR LOW PRICED SECURITIES: Investing in “penny stocks” and low-priced securities (generally, equity securities trading for less than \$5 per share that are not listed on major exchanges) is considered risky. There is often limited reliable information available about the underlying company, price information may be inconsistent or unavailable, and the investment may be highly illiquid. Davenport generally does not recommend these types of investments and cautions its customers that we may refuse to accept orders for them. Proceeds from such transactions may be delayed until the position is fully “cleared” by the transfer agent.

For more information about penny stocks contact: Office of Filings, Information and Consumer Services of the U.S. Securities and Exchange Commission
450 Fifth Street N.W., Washington, DC 20549
Tel: (202) 272-7440

Further information is posted on the SEC’s website at www.sec.gov/Investor/schedule15g.htm

10. STOP ORDERS IN FAST MOVING MARKETS: A stop order is an order to buy or sell a stock once the price of the stock reaches a specified price, known as the stop price. When the specified price is reached, the order becomes a market order. Buy stop orders are used when buying stock to limit a loss or protect a profit on short sales. The order is entered at a price that is always above the current market price. Sell stop orders are used to help avoid further losses or protect a profit that exists if a stock price continues to drop.

A stop order to sell is always entered below the current market price. There are risks associated with stop orders. Investors should be aware that the stop price could be activated by a very short term fluctuation in a fast moving market and could result in an execution that is far away from the desired stop price.

11. EXTENDED TRADING HOURS: There are numerous risks when trading during extended trading hours, among them:

Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and sell securities. Generally, liquidity is determined by the number of orders available in a market. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours.

Risk of Higher Volatility: Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours.

Risk of Changing Prices: The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning.

Risk of Unlinked Markets: Depending on the extended hours, trading system or the time of day, the prices displayed on

a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing with the same securities.

Risk of News Announcements: Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of the security.

Risk of Wider Spreads: The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

As a result of these and other risks, orders may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading versus prices during regular market hours.

12. ALLOCATION PROCEDURES FOR SECURITIES SUBJECT TO CALL OR REDEMPTION: The lottery process for a partial call, pre-refund or defeasement is a random process designed to allocate called securities on a fair and impartial basis. The lottery is based on a formula that randomly selects accounts for allocation. For calls that are deemed favorable to the security-holder, firm accounts, as well as accounts of associated persons of broker-dealers are excluded until all client positions have been allocated. A favorable call occurs when the call price exceeds the current market price reflected in the back office application. If no price is available in the back office system, the call is presumed favorable. If a call is not deemed favorable to the security-holder, firm and associated persons' accounts are included in the lottery process.

13. FINRA BROKERCHECK® BROCHURE: BrokerCheck® is a free tool to help investors research the professional backgrounds of current and former FINRA-registered brokerage firms and brokers. To obtain information or a brochure, visit www.finra.org or call toll-free (800) 289-9999. SEC Investment Adviser Public Disclosure (IAPD) is a free tool to help investors research information on Investment Adviser firms as well as individual Investment Adviser Representatives and is available at www.adviserinfo.sec.gov

14. FINRA SECURITIES HELPLINE FOR SENIORS: FINRA provides a toll-free helpline for seniors available from 9 a.m. to 5 p.m. ET, Monday through Friday. The Helpline (844-57-HELPS or 844-574-3577) enables seniors to talk with FINRA staff about how to review their investment portfolio or account statements; concerns about the handling of a brokerage account; and investor tools and resources available from FINRA.

15. CUSTOMER ACCOUNT INFORMATION: In order to properly service your account, it is important that we have current information on file regarding your investment objectives, risk tolerance, time horizon and financial situation. Please notify your Financial Advisor promptly of any material changes in your account information so that we may update our records.

Important Information about your Davenport Account and a current Schedule of Fees is available online at www.investdavenport.com. You may also request this information from your Financial Advisor.

Disputes Involving Joint Accounts: In the event of a dispute over the rights to the assets or control of the joint account, Davenport reserves the right to restrict the account to

prevent future activity including securities transactions or asset movement. Any transaction or asset movement may require signatures from all parties.

The Transaction Fee reported on certain trade confirmations reflects the fee charged to Davenport by the national securities exchange or association on which your transaction was executed, or through which it clears. The amount is based on a formula proscribed by Section 31 of the Securities Exchange Act of 1934; or in the case of options trades, it is set by the CBOE.

16. INVESTMENT ADVISORY SERVICES BROCHURE: In accordance with SEC requirements, Davenport has prepared a written disclosure document that describes our investment advisory programs and discloses potential conflicts of interest that may exist between Davenport and our clients. This document is updated periodically to reflect changes in the details of our advisory programs. There have been no material changes to the disclosure document over the past year. If you would like a current copy of the disclosure document, please contact your Financial Advisor or Davenport's Compliance Department at (800) 846-6666. For more information, please visit www.investdavenport.com/client-disclosures and click on "ADV Part 2" and "ADV Part 2A".

17. ACCOUNT INQUIRIES: All inquiries or concerns regarding your account or its activity should be directed to the branch manager of the office servicing your account. You may also want to contact our Compliance Department:

Davenport & Company LLC
Attn: Compliance Department
P.O. Box 85678, Richmond, VA 23285-5678
Tel: (804) 780-2000 Toll-Free: (800) 846-6666

18. RELATIONSHIPS WITH THIRD PARTIES: Like many securities firms, Davenport receives payments from third parties whose products we distribute, including mutual fund companies, cash sweep products, and insurance companies. Payments from mutual funds, cash sweep products, and insurance companies may include commissions, trails, sales loads, rule 12b-1 fees, and sub-transfer agent fees for maintaining customer account information and providing other administrative services for the mutual funds, shareholder accounting fees, networking fees and reimbursements for education, marketing support and training-related expenses.

In addition, Davenport has entered into a "revenue sharing" arrangement with the adviser and distributor of the cash sweep products used for cash management services. Davenport believes that all payments are in accordance with industry rules and regulations as currently in effect. The maximum aggregate payment that Davenport receives from cash sweep products (including an adviser or distributor thereof) up to 0.88% annually, depending on fund type and share class. Please contact your Financial Advisor if you have any questions regarding such relationships, payments, or the extent to which your Financial Advisor benefits. You should also refer to the prospectuses, Statements of Additional Information and the mutual funds, cash sweep products, and insurance products in which you invest for further information.

19. ACCOUNT PROTECTION: Subject to terms and conditions, accounts carried by Davenport are protected by the Securities Investor Protection Corporation (SIPC) up to \$500,000 of the net equity per eligible account, subject to a \$250,000 limit on cash balances pending investment. Further information about SIPC, including the SIPC brochure, may be obtained by calling SIPC at (202) 371-8300 or by visiting www.sipc.org. Cash balances deposited into the IDP Account sweep option are not covered by SIPC. These cash balances are insured by the FDIC, up to applicable FDIC

limits. The maximum standard FDIC deposit insurance limit is currently \$250,000 per customer, per bank. Additional information about FDIC coverage may be obtained by calling (877) 275-3342 or by visiting www.fdic.gov. For further details about the IDP, ask your Financial Advisor for a copy of the IDP Terms and Conditions.

20. BUSINESS CONTINUITY PLAN: Davenport maintains a Business Continuity Plan (“BCP”) which documents procedures to assess and respond to a business disruption. The BCP accounts for a variety of interruptions including those that could solely affect Davenport, or a building, business district, city or region in which Davenport conducts business. The BCP provides that the Business Continuity Response Team (“BCRT”) assess the severity of any disruption and activate the Recovery Team members and procedures accordingly. Davenport maintains a back-up data and communications facility that is geographically separated from our primary facility. Should there be a disruption to our primary facility or business district, Davenport can relocate critical personnel to the back-up facility to maintain communication with clients and provide access to cash and securities.

If a business disruption occurs, Davenport intends to continue to conduct its business and minimize the recovery time necessary to resume normal operations. In the unlikely event the BCRT determines that Davenport is unable to continue business following a significant disaster, the BCRT would implement procedures to ensure client’s access to funds and securities. Modifications to the BCP are made as warranted based on changing circumstances and needs. Any resulting revisions to this disclosure are available at www.investdavenport.com. Alternatively, clients may request a copy of the most recent disclosure by mail. In the event that Davenport must implement its BCP, clients may contact us at (800) 913-4685.

21. FEE SCHEDULE: Our fee schedule has been updated and is available at www.investdavenport.com or by request from your Financial Advisor. Please note that fees are subject to change after a 30-day notice period.

22. WHAT IS EMMA? EMMA, the Electronic Municipal Market Access system (www.emma.msrb.org) provides free public access to information about individual municipal securities, including official statements, continuing disclosures and real-time trade data. Investors can access and download for free all documents and data on EMMA, and also obtain educational information geared toward retail investors. EMMA is operated by the Municipal Securities Rulemaking Board, the regulatory agency that protects investors and ensures a fair and efficient municipal bond market.

Information Available on EMMA:

- Official statements and advance refunding documents
- Continuing disclosures, including annual financial statements and notices of material events
- Real-time and historical trade data
- Interest rates and auction results for municipal auction rate securities
- Interest rates for variable rate demand obligations
- Daily market statistics and educational material about municipal bonds

To learn more about EMMA, visit www.emma.msrb.org and click on the video tutorial located in the lower-left corner of the page – EMMA 101 Video.

23. IMPORTANT INFORMATION ON MUTUAL FUNDS: Mutual funds can offer the benefits of diversification, professional management, liquidity, choice and convenience. Before you invest, it is important to have a general understanding of mutual funds and to be aware of the costs associated with them. Since each fund’s cost structure is different, Davenport has prepared a Mutual Fund Guide to give you a general understanding of mutual fund costs. The overall cost of investing in mutual funds will vary depending on whether you purchase funds in a traditional brokerage account or investment advisory account. For more information about a mutual fund’s costs, you should read the fund’s prospectus and discuss any questions you have with your Financial Advisor.

24. SYSTEMATIC MUTUAL FUND TRANSACTIONS: Customers who have established Electronic Automated Systematic Investments (EASI Plan) for their mutual fund transactions will receive written information describing the details of each transaction effected pursuant to the EASI Plan on their monthly and/or quarterly account statements in lieu of receiving immediate trade confirmations. Specific information regarding individual transactions processed pursuant to the EASI Plan will be furnished at any time upon written request.

Together, you and your Financial Advisor can select the appropriate mutual funds, share class, and type of investment account that best matches your unique investment goals and objectives. Please visit www.investdavenport.com/client-disclosures to access the Mutual Fund Guide or request a copy from your Financial Advisor.

Stay Involved and Be Proactive: Determining which share class is most suitable for you is an ongoing process. Therefore, we encourage you to work with your Financial Advisor and review the following:

- Review a copy of the fund’s prospectus
- Carefully consider your investment time horizon
- Understand how breakpoints work and how your Financial Advisor is compensated
- Communicate with your Financial Advisor about changes in your objectives and holdings

To learn more about mutual funds and their costs, visit the following websites:

- U.S. Securities & Exchange Commission: www.sec.gov
- FINRA: www.finra.org
- Securities Industries & Financial Markets Association: www.sifma.org
- Investment Company Institute: www.ici.org

Your Davenport Financial Advisor is available to provide you with any additional information you may need, or to answer questions you may have regarding investing in mutual funds.

DAVENPORT & COMPANY

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