



Small Capitalization Portfolio

THE PORTFOLIO:

Inception: January 1, 1994

Investment Style: Small Capitalization

Investment Management of Virginia's Small Capitalization Portfolio seeks an attractive total return through capital appreciation in a concentrated portfolio of small sized companies. The portfolio managers purchase stocks that appear to be out of favor and are considered "on sale" by most market participants. General attributes of companies in the Portfolio will include modest price-to-earnings and/or low price-to-book ratios, the potential for substantial earnings and cash flow growth, strong or improving profit margins, a solid balance sheet, and good management. The portfolio managers also consider "insider" transactions, stock repurchases, effective use of innovative technologies, and exposure to growing markets. Over a period of two to three years, the optimal Portfolio holding will transition from being "out of favor" to a "growth" stock to a "momentum" stock, at which point the portfolio managers reduce or liquidate the position.

The Portfolio typically holds 30 to 40 different stocks. Positions generally start at 2% to 2.5% and are reduced at or before they reach 6% of the value of the account. Positions with a 20% loss are formally reviewed, and any position with a 40% loss is normally liquidated. Initial purchases have equity capitalizations between \$100 million and \$2 billion, but the managers will hold companies with larger market capitalizations. Some industries are more heavily "weighted" than others based on the managers' judgment that certain industries are substantially more attractive than others at any given time.

The portfolio managers use a combination of quantitative and qualitative research. The managers run statistical screens in an attempt to identify companies with high levels of free cash flow, strong balance sheets, "hidden" earnings, insider buying, and negative analyst sentiment but positive operational performance. Select stocks are considered for more detailed fundamental analysis and due diligence, which normally includes reviewing SEC filings, interviewing management, and examining industry research.

IMVA believes that its Small Capitalization Portfolio is differentiated from most other small capitalization alternatives by its concentration (30 to 40 positions), broad investment parameters (balance sheet and income statement valuation metrics), and long-term investment horizon.

The Small Capitalization Portfolio strives to outperform the small capitalization indexes and measures its performance against the Russell 2000 Index.

The Small Capitalization Portfolio Composite

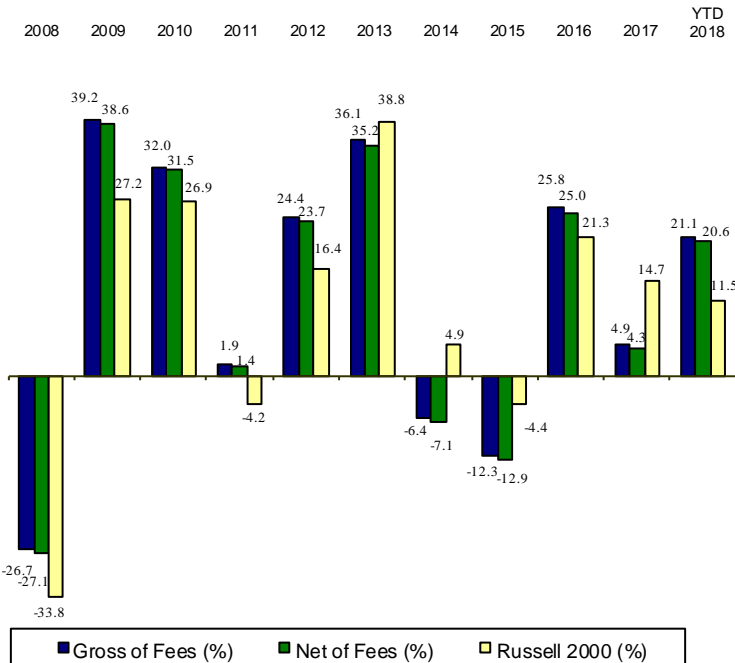
* Performance Results

<u>Period</u>	<u>Gross Small Cap</u>	<u>**Net Small Cap</u>	<u>Russell 2000</u>
Annual 1994	9.8%	8.9%	-1.8%
Annual 1995	48.8%	47.7%	28.5%
Annual 1996	38.1%	37.2%	16.5%
Annual 1997	29.2%	28.4%	22.4%
Annual 1998	-7.6%	-8.2%	-2.6%
Annual 1999	47.1%	46.3%	21.3%
Annual 2000	-24.7%	-25.1%	-3.0%
Annual 2001	0.7%	0.1%	2.5%
Annual 2002	-8.0%	-8.5%	-20.5%
Annual 2003	38.5%	37.7%	47.3%
Annual 2004	23.6%	22.9%	18.3%
Annual 2005	10.2%	9.5%	4.6%
Annual 2006	18.9%	18.3%	18.4%
Annual 2007	2.7%	2.2%	-1.6%
Annual 2008	-26.7%	-27.1%	-33.8%
Annual 2009	39.2%	38.6%	27.2%
Annual 2010	32.0%	31.5%	26.9%
Annual 2011	1.9%	1.4%	-4.2%
Annual 2012	24.4%	23.7%	16.4%
Annual 2013	36.1%	35.2%	38.8%
Annual 2014	-6.4%	-7.1%	4.9%
1 st Qtr '15	-1.6%	-1.8%	4.3%
2 nd Qtr '15	0.6%	0.4%	0.4%
3 rd Qtr '15	-13.1%	-13.3%	-11.9%
4 th Qtr '15	2.0%	1.8%	3.6%
Annual 2015	-12.3%	-12.9%	-4.4%
1 st Qtr '16	4.1%	3.9%	-1.5%
2 nd Qtr '16	-1.8%	-2.0%	3.8%
3 rd Qtr '16	11.5%	11.3%	9.1%
4 th Qtr '16	10.4%	10.2%	8.8%
Annual 2016	25.8%	25.0%	21.3%
1 st Qtr '17	-4.3%	-4.5%	2.5%
2 nd Qtr '17	4.0%	3.9%	2.5%
3 rd Qtr '17	3.2%	3.0%	5.7%
4 th Qtr '17	2.1%	2.0%	3.3%
Annual 2017	4.9%	4.3%	14.7%
1 st Qtr '18	2.6%	2.5%	-0.1%
2 nd Qtr '18	10.5%	10.4%	7.8%
3 rd Qtr '18	6.8%	6.7%	3.6%
Cumulative Return			
1/1/94-9/30/18	1840.9%	1573.8%	816.1%
Annualized Return			
1/1/94-9/30/18	12.7%	12.1%	9.4%

*Small Capitalization Portfolio Composite Inception Date: January 1, 1994. Performance figures, both net and gross of fees, have been examined through June 30, 2018. Please refer to the attached GIPS fully compliant presentation for a detailed explanation of performance presented. Performance returns are for the period ending 9/30/18. **One account within the net composite has an implied management fee of 100 basis points from 1/1/94 through 9/30/06. Past performance is no guarantee of future results, and no representation is made that results similar to those shown can be achieved. A complete presentation of any composite and/or a list of all composites is available upon request.

Small Capitalization Portfolio Composite

Annual Performance*



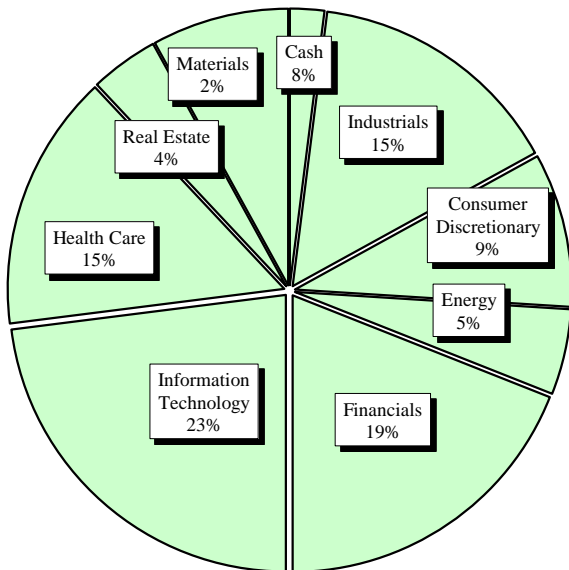
Commentary

The U.S. equity market produced attractive returns in the third quarter. As usual, there is plenty to worry about, but corporate earnings, the critical driver of equity returns, continued to grow. S&P 500 companies are on track to grow earnings per share by over 20% in 2018. Signs of a humming U.S. economy include historically low unemployment, improving wage growth, attractive GDP growth, improving industrial production, improving capital investment, and record levels of consumer and small business sentiment. On the other hand, many investors are concerned that the tax cuts and relatively low interest rates are fueling an economic boom that can't be sustained. Bottom line, the current strength of the economy gives us some confidence that the stock market's most important fundamental driver, corporate earnings, looks solid for the next few quarters, but the inevitable economic slowdown is, well, inevitable.

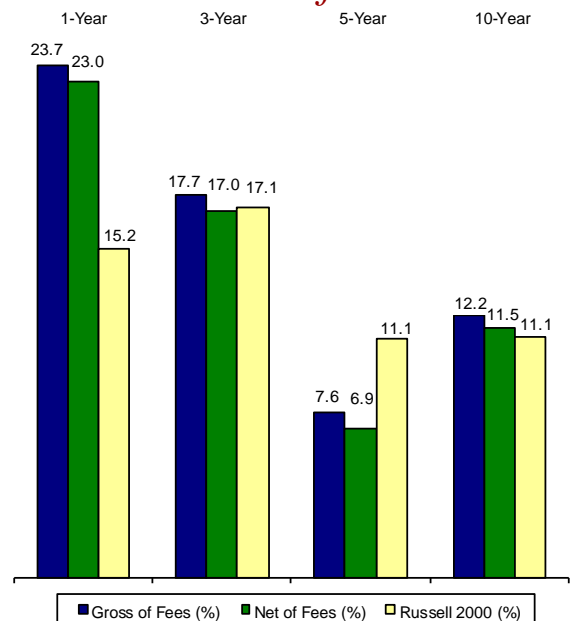
Third Quarter 2018 Performance*

Small Capitalization Portfolio (Gross)	6.8%
Small Capitalization Portfolio (Net)	6.7%
Russell 2000	3.6%

Sector Breakdown**



Annualized Performance*



*Please refer to the attached GIPS fully compliant presentation for a detailed explanation of performance presented. Yearly performance returns are for the year indicated, except the 2018 YTD is for the period ending 9/30/18. Past performance is no guarantee of future results, and no representation is made that results similar to those shown can be achieved. A complete presentation of any composite and/or a list of all composites is available upon request. **The sector breakdown is presented as "Supplemental Information" to the fully compliant GIPS presentation.

INVESTMENT MANAGEMENT OF VIRGINIA, LLC
SMALL CAPITALIZATION PORTFOLIO COMPOSITE
ACCOMPANYING NOTES

Year ^A	Total Return	Total Return	Benchmark	Composite	Benchmark	Composite	Composite Assets	Strategy Assets	Model Assets	Non-Fee Paying	Percentage of	Total Firm Assets		
	Gross	Net ^B	Russell 2000	3 Yr. St. Dev. ^C	Russell 2000	3 Yr. St. Dev. ^C	End of Period	End of Period ^D	End of Period ^D	Composite Assets	Non-Fee Paying	End of Period		
	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	Number of	(Millions)	(Millions)	(Millions)	End of Period (MM)	(Millions)		
	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	Accounts	(Percent)	(Millions)	(Millions)	(Millions)	(Millions)		
2008	-26.66	-27.07	-33.79	N/A	N/A	N/A	18	0.76	13.33	24.81	N/A	0.61	4.59%	285.31
2009	39.21	38.57	27.17	N/A	N/A	N/A	17	4.12	14.06	29.22	N/A	4.55	32.37%	335.79
2010	32.00	31.51	26.85	N/A	N/A	N/A	15	0.74	13.39	38.39	N/A	2.64	19.74%	427.21
2011	1.89	1.41	-4.18	24.19	24.99	24.99	16	0.74	13.41	38.85	45.11	2.47	18.43%	409.51
2012	24.37	23.70	16.35	19.84	20.20	20.20	22	0.55	15.46	58.06	73.37	2.77	17.94%	526.95
2013	36.11	35.24	38.82	15.86	16.45	16.45	53	0.80	29.85	139.01	184.94	2.26	7.56%	697.44
2014	-6.44	-7.10	4.89	11.98	13.12	13.12	50	0.68	27.70	106.25	162.01	2.40	8.65%	549.17
2015	-12.27	-12.88	-4.41	13.59	13.96	13.96	41	0.66	22.58	64.53	93.92	2.19	9.71%	437.32
2016	25.83	24.99	21.31	15.12	15.76	15.76	33	0.80	25.71	67.55	41.43	1.95	7.57%	484.18
2017	4.90	4.25	14.65	14.74	13.91	13.91	26	0.70	30.23	62.09	12.09	2.04	6.74%	491.22
*2018	21.11	20.64	11.51	N/A	N/A	N/A	26	N/A	33.11	74.41	10.13	2.12	6.41%	548.73

* 2018 performance returns are for the period ending 9/30/18.

A. Inception of the composite was 1/1/94. Creation of the composite was 1/1/94.

B. Fee schedule: 1.00% per annum on the first \$1 million of assets; 0.75% per annum on assets greater than \$1 million. Fees are negotiable.

C. N/A for the current year signifies that the information is not available until year end. N/A for previous years signifies that the information was not required.

D. Supplemental information. In addition to composite assets, strategy assets include separately managed accounts that do not meet the criteria for inclusion in the composite and wrap accounts. Small Capitalization Portfolio model assets are managed by other firms based on model portfolios submitted by IMVA.

Investment Management of Virginia, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Investment Management of Virginia, LLC has been independently verified for the periods January 1, 1993 through June 30, 2018. 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 Small Capitalization Portfolio composite has been examined for the periods January 1, 1994 through June 30, 2018. The verification and performance examination reports are available upon request.

1. Basis of Presentation

Investment Management of Virginia, LLC ("IMVA") is a registered investment adviser under the Investment Advisors Act of 1940. IMVA was originally established as Scott & Stringfellow Capital Management, Inc., a division of Scott & Stringfellow, in 1982. In March 1999, Scott & Stringfellow became a wholly owned subsidiary of Branch Banking & Trust Company (BB&T). IMVA became an independent investment adviser in July of 2000 when the principals of Scott & Stringfellow Capital Management, Inc. purchased IMVA from BB&T. Total firm assets exclude model programs. Additionally, as supplemental information, as of September 30, 2018, the firm provides models to programs managing a total of approximately \$15.74 million in assets based on those models (this figure includes the Small Capitalization Portfolio model assets and all other model portfolio assets at IMVA).

2. Composite Criteria

The Composite consists of institutional, endowment, retirement, and individual accounts. Tax-exempt and taxable accounts are included. The Composite seeks a strong total return through capital appreciation in small capitalization companies. The primary investment criteria are strong upside potential at a reasonable price. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Performance results of the Composite are based on U.S. dollar returns.

3. Calculation Methodology

The Composite results are time-weighted rates of return net of commissions, custodial fees, and any other expenses incurred in the management of accounts. Accounts may be shown gross or net of withholding taxes on foreign dividends based on the custodian. These returns have been presented both gross and net of investment advisory fees. Quarterly composite rates of return, which are net of investment advisory fees, are calculated at the account level. For each account, the fee percentage is subtracted from the account's gross monthly return, during the month the fee is incurred, to obtain a monthly account return net of investment advisory fees. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.

4. Comparison with Market Index

Results of the Composite are shown compared to the Russell 2000 Index. The Russell 2000 Index is comprised of the 2,000 smallest companies in the Russell 3000 Index, which measures the performance of the 3,000 largest publicly held companies incorporated in America, as defined by total market capitalization. The Russell 2000 represents approximately 1% of the Russell 3000 Index total market capitalization. For comparison purposes, the Russell 2000 is a fully invested index, which includes reinvestment of income, and the performance has been linked in the same manner as the Small Capitalization Portfolio Composite. The returns for this unmanaged index do not include any transaction costs, management fees, or other costs. Investment Management of Virginia, LLC takes no responsibility for the validity of the index and/or other performance numbers provided by reputable outside sources. The S&P 400 Index was used prior to 12/31/00 as a comparison index. It was replaced with the S&P 600 Index on 12/31/00 because this index was a more accurate representation of the market capitalization of the securities in the client accounts. The S&P 600 Index was dropped as an index as of 3/31/12 due to low usage of that index by institutional investors.

5. SEC Advertising Disclosure Footnotes

All performance composite returns are reported net and gross of investment advisory fees charged by Investment Management of Virginia, and reflect the reinvestment of dividends and other earnings. The investment returns will be reduced by commissions, custodial fees, and any other expenses incurred in the management of accounts. Accounts may be shown gross or net of withholding taxes on foreign dividends based on the custodian. Net performance reflects the deduction of actual quarterly fees for each account in the composite with the exception of one non-fee paying account in the composite with the periods prior to 9/30/2006. An implied 100 bps fee was applied to calculate net performance for the account. Gross of fees performance returns are presented before investment management fees.

6. Additional Information

A complete presentation of any composite and/or a list of all composite descriptions is available upon request. Such inquiries should be addressed to George McVey, Investment Management of Virginia, LLC, 919 E. Main Street, Suite 1600, Richmond, Virginia 23219, or contact him through email at gmvey@imva.net.

Past performance is no guarantee of future results, and no representation is made that results similar to those shown can be achieved. All portfolios have the potential of profit and/or loss on the investment securities.