



Small Capitalization Portfolio

2nd Quarter, 2020

Company Overview	3-6
Small Capitalization Portfolio Philosophy/Goals	7
Investment Process	8-10
Risk & Sell Disciplines	11
Ten Largest Holdings	12
Sector Allocation	13
Portfolio Characteristics	14
Small Capitalization Performance Profile	15-17
Small Capitalization Portfolio	18
Client Communications	19
Contact Information	20
GIPS Compliant Presentation and Footnotes	21

Independent Investment Advisers

Portfolio Management Team of 7 Investment Professionals

Assets Under Management^{*}

Total Assets Under Management: Approximately \$487 Million

Representative Institutional Clients^{**}

- Virginia State Police Association
- Garden Club of Virginia
- Historic Wilmington Foundation
- Ronald McDonald House Charities of Charlottesville

**AUM are for the period ending 06/30/20. The figure above includes \$481.66 million in assets directly managed by IMVA and \$5.24 million in assets managed by other firms based on model programs submitted by IMVA.*

***IMVA, LLC selected clients for inclusion in this list to indicate the scope of clients served, using the following criteria: size, geographic location, and name recognition. IMVA, LLC has not used performance criteria to select clients on this list, and it is not known whether the listed clients approve or disapprove of IMVA, LLC or the advisory services provided. The clients listed are not necessarily clients within the specific portfolio mentioned. Only clients who have consented to their names appearing on this list have been included. This information is for the period ending 06/30/20.*

Experience

- Extensive analytical and portfolio management experience.

Discipline

- Structured quantitative and qualitative analytical processes.

Research Focus

- Thorough and ongoing fundamental company analysis by the portfolio management team.

Performance

- Solid long-term performance.*

Commitment

- Every client relationship is important to us.

Compliance

- We are determined to put the needs of the client first in everything we do.

** Past performance is no guarantee of future results, and no representation is made that goals or results similar to those shown can be achieved. Please refer to the footnotes on the last page for a detailed explanation of performance.*

John H. Bocock is a founder and the Chairman of Investment Management of Virginia. Prior to the founding of the firm, Mr. Bocock was a Managing Director of Scott & Stringfellow Capital Management, Inc. Mr. Bocock served as a Naval Special Warfare Officer from 1990 to 1993. He holds a B.A. from Dartmouth College and an M.B.A. from the Darden School at the University of Virginia. Mr. Bocock is a member of the Virginia Union University Board of Trustees and serves on the Board of the Scott & Stringfellow Educational Foundation.

Thomas Neuhaus is a Managing Director and a Portfolio Manager at Investment Management of Virginia. Mr. Neuhaus is a graduate of the McIntire School at the University of Virginia. Mr. Neuhaus served for three years in the Investment Banking division of Scott & Stringfellow and another three years as an equity analyst covering the information technology sector for BB&T Capital Markets. He is a CFA[®] charterholder and a Chartered Market Technician.

George Pickral joined Investment Management of Virginia as a Managing Director in January, 2014. He was promoted to a Portfolio Manager of the Small Capitalization Portfolio in June of 2018 and to a Portfolio Manager of the Opportunity Portfolio in October of 2019. Mr. Pickral has extensive industry experience on both the buy and sell side of the U.S. equity market. He previously served as Senior Research Analyst at ACK Asset Management, a New York based long/short equity hedge fund, where he covered small capitalization equities. Prior to ACK Asset Management, he was a Senior Research Analyst covering the transportation sector with Stephens Inc. He graduated with a B.A. in Economics from the University of Virginia in 2001.

Research/Analytical Assistance

William E. Sizemore, Jr. is a Managing Director of Investment Management of Virginia and serves as the firm's Director of Research. Prior to joining the firm in 2007, Mr. Sizemore served as a Vice President and Director of Research for Godsey & Gibb Associates, Inc. and has more than thirty years of experience in the financial consulting business. He earned his B.S. degree in Education with a specialization in mathematics and physical education from Bluefield State College, West Virginia, and his M.Ed. in Administration and Supervision from Virginia State University.

Small Capitalization Portfolio Philosophy/Goals^{*}

- Concentrated portfolio (including exchange traded funds). Differentiated from small capitalization indices.
- Value-oriented investment approach. Buy fear; sell greed.
- Rigorous in-house fundamental research.
- Valuation approach/discipline designed to avoid major pitfalls.
- Due diligence goal is to prepare to increase a position at lower prices.
- Focus on favorable risk/reward situations for potential participation in a full recovery cycle holding period (value to core to growth characterization).

**The parameters and goals referenced herein reflect general strategy objectives; not every holding within a given strategy will demonstrate these characteristics; not every client portfolio within a given strategy will have the same characteristics. Variations from one portfolio to the next within a strategy are generally due to client-specific restrictions, objectives, or cash needs; timing differences relating to the pattern of deposits and withdrawals; market conditions at the time of investment; or other circumstances.*

Investment Universe: \$100 million to \$2 billion, equity market capitalization (for initial purchase)



- Quantitative screens



- Detailed fundamental research



- Risk and reward assessment



- Ongoing research and due diligence



30-40 Stock Portfolio: Goal is to outperform small capitalization indices, and peers, by 200 basis points over a full market cycle. *

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Quantitative screens include ^{*}:

- Low valuation relative to historic range (P/E, P/B)
- High quality: balance sheet, income statement, dividend, and cash flow metrics
- Negative analyst ratings but improving fundamentals
- Hidden earnings: high operating cash flow, low reported earnings
- Turnaround situations: high write offs but improving operating earnings
- Buyout potential: cash flows and balance sheet capacity to go private
- Dividend yield

Typical holdings may have the following characteristics ^{**}:

- Projected earnings growth of 15-25% per year
- Relative P/E (Forward) of 1 or less
- Solid financial position
- Positive cash flow
- Significant insider holdings (5% to 20%)
- Attractive valuation by long term pricing standards – Dividend Discount Model

**IMVA uses the FactSet database and Starmine analyst rankings to perform screens.*

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Key Questions

- What motivates executives?
- What are the company's financial goals?
- What are the dynamics of the industry?
- Why will the company outperform the competition (higher economic returns)?
- How is the company regarded by competitors, suppliers, and customers?
- Is the management team credible, reliable, and experienced?
- What are the catalysts for change? Can the catalyst be monitored, measured?

Cross Check Analysis

- Conference calls
- Investment conferences
- Industry contacts

Desired Results

- Exceptional management team with interests parallel to those of shareholders
- Proprietary approach or asset that distinguishes the company from its peers
- Excellent risk to reward profile

RISK

- Valuation discipline – buy with a “margin of safety”
- Securities trimmed when an equity position exceeds 6% of the total account/portfolio value
- Monitored sector and intra-sector exposure

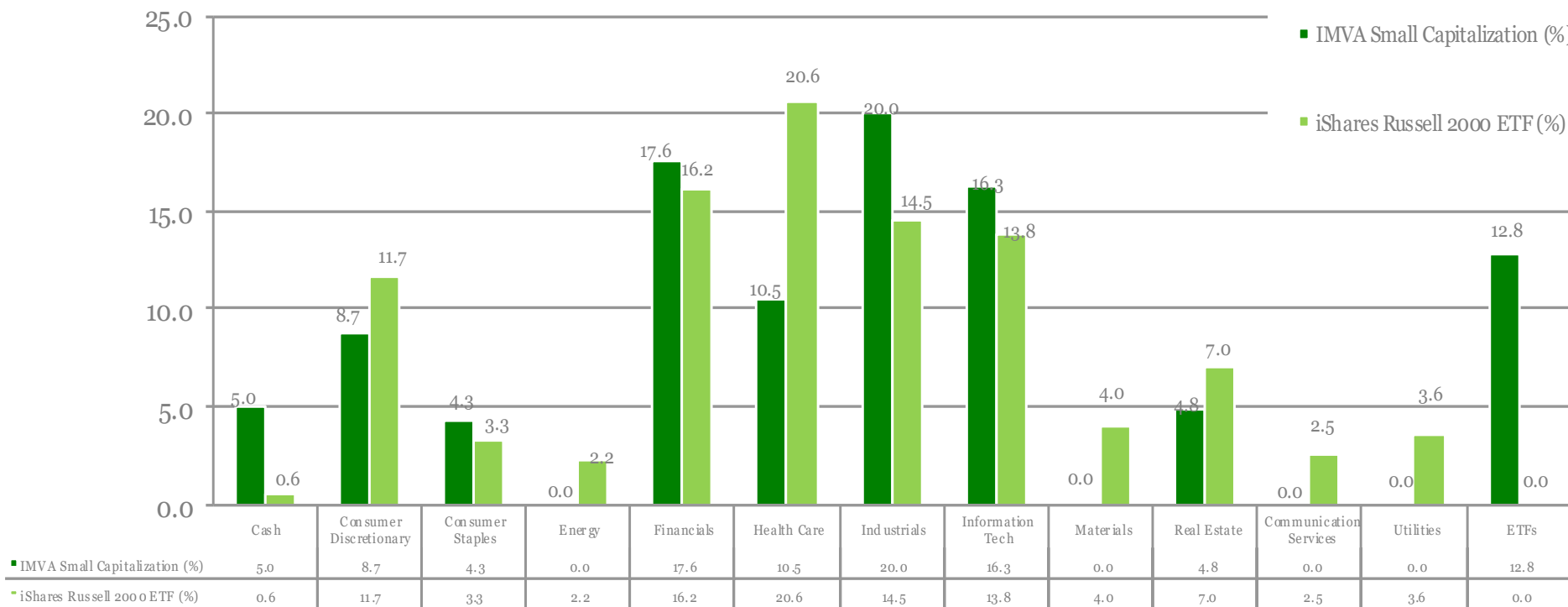
SELL

- Price target achieved
- Change in management enthusiasm, commitment, or integrity
- Unexpected earnings shortfall and/or negative earnings revision
- Insider selling
- Fundamental or material change in the business environment
- Source of funds for a better idea

- Ishares TR Russell 2000 ETF
- Green Dot Corp.
- Vicor Corp.
- ProShares Russell 2000 Div Growers ETF
- PRA Group
- Hain Celestial Group
- Crocs
- Bottomline Technologies
- OneSpan
- Prestige Consumer Healthcare

**The securities listed represent the ten largest positions (as of 06/30/20) held by portfolios in the Investment Management of Virginia Small Capitalization Portfolio Composite and have not been selected by any performance criteria. It should not be assumed that recommendations in the future will be as profitable or will equal the performance of the above securities.*

Composite Sector Weightings vs. Index



*The iShares Russell 2000 ETF is used as a proxy for the Russell 2000.

The sector allocation information is for the period ending 06/30/20. The iShares Russell 2000 ETF sector weightings are obtained from BlackRock.

Small Capitalization Portfolio Characteristics*

Characteristics**	IMVA***	iShares Russell 2000 ETF	Portfolio Turnover			
			2009	2010	2011	2012
Market Cap (\$B)	3.76****	2.08	46.6%	38.6%	39.4%	33.1%
EPS Growth (Trailing Yr.)	24.0%	17.0%	2015	2016	2017	2018
EPS Growth (Future 5 Yr. Long-term Est.)	13.5%	13.6%	2012	2013	2014	2019
P/E Ratio (12 Mos. Forward)	25.1X	18.6x	2013	2014	2020	81.9%
Price to Book	2.2x	2.3x	annualized YTD			
Price to Cash Flow (12 Mos. Trailing)	13.1X	10.3x	iShares Russell 2000			
Return on Equity (1 Yr. Trailing)	14.1%	12.3%	Sector Weightings (%)		IMVA	ETF*****
Debt/Total Capital	26.9%	33.1%	Cash	5.0%	0.6%	
			Consumer Discretionary	8.7%	11.7%	
			Consumer Staples	4.3%	3.3%	
			Energy	0.0%	2.2%	
			Financials	17.6%	16.2%	
			Health Care	10.5%	20.6%	
			Industrials	20.0%	14.5%	
			Information Technology	16.3%	13.8%	
			Materials	0.0%	4.0%	
			Real Estate	4.8%	7.0%	
			Communication Services	0.0%	2.5%	
			Utilities	0.0%	3.6%	
			ETFs	12.8%	0.0%	

*Portfolio characteristics are for the period ending 06/30/20.

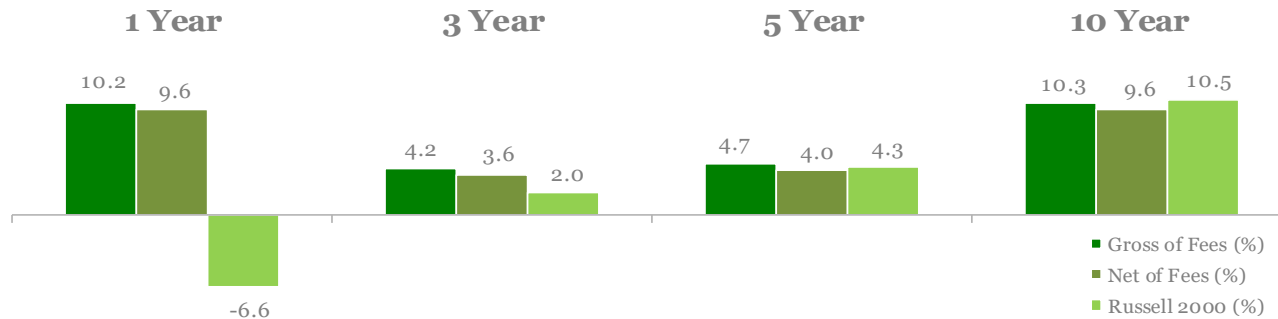
**Source: FactSet. The iShares Russell 2000 ETF is used as a proxy for the Russell 2000.

***Characteristics represent weighted average calculations for the period ending 06/30/20 and are based on the representative account in the Small Capitalization Portfolio. Not every account in the above portfolio will have identical characteristics.

****The average market cap excluding IWM and the ProShares Russell 2000 Dividend Growers ETF from the calculation is \$1.98 billion.

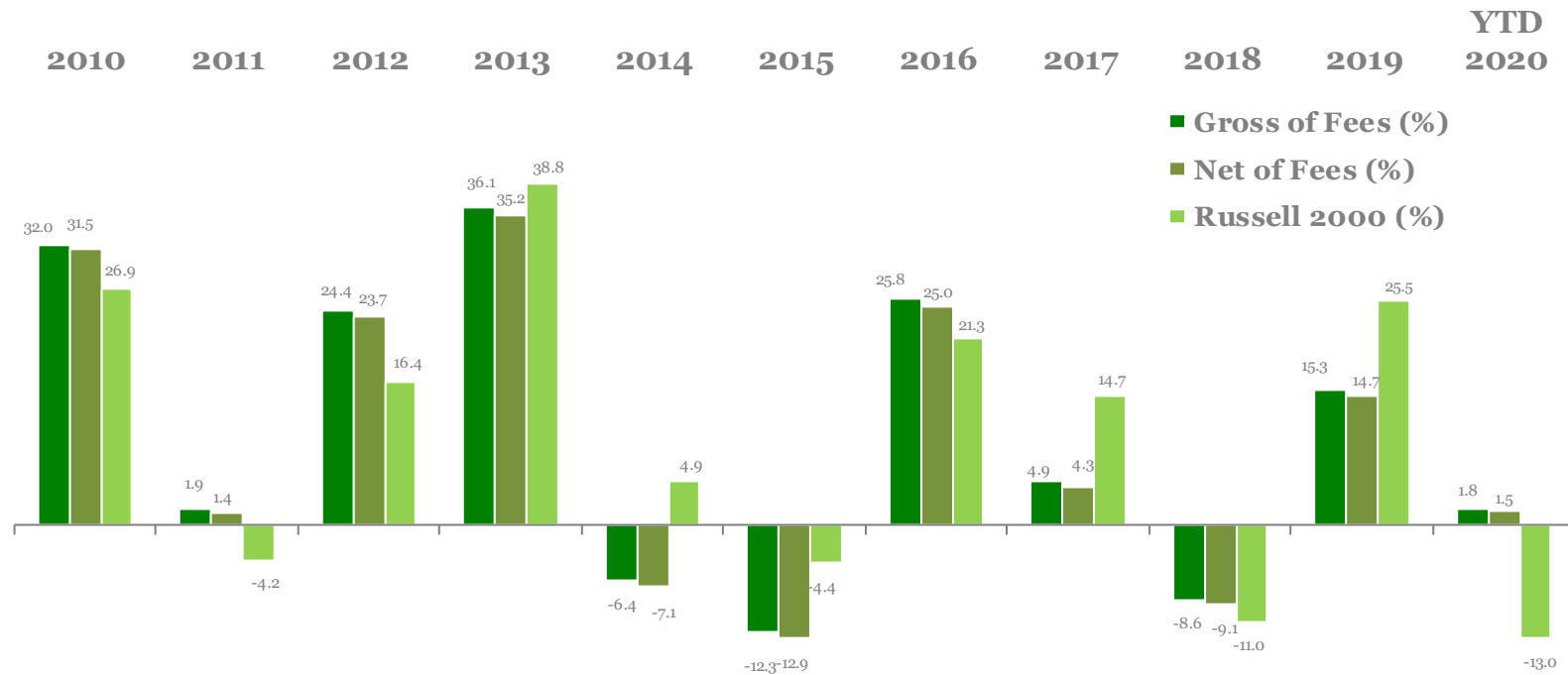
*****Source: BlackRock.

Small Capitalization Portfolio Composite



Please refer to the footnotes on the last page for a detailed explanation of performance. Performance returns are for the period ending 06/30/20. 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. 3 Year, 5 Year, and 10 Year returns are annualized.

Small Capitalization Portfolio Composite

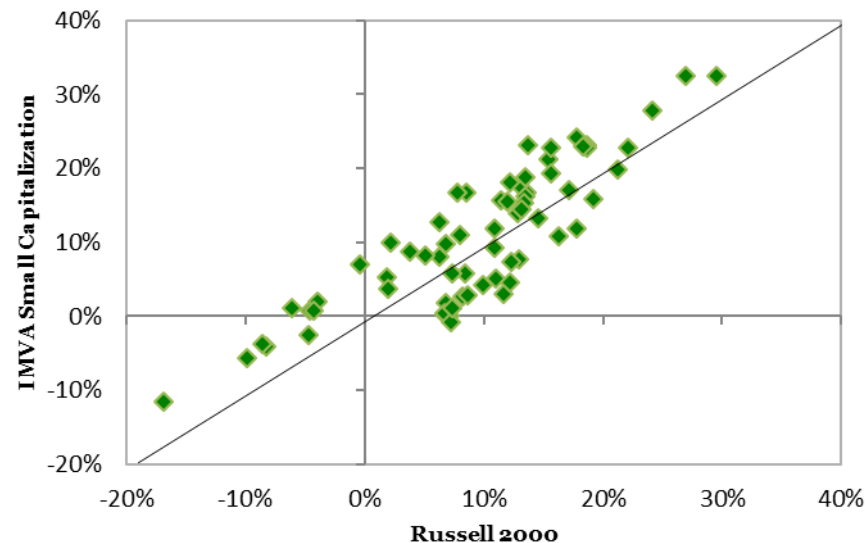


Please refer to the footnotes on the last page for a detailed explanation of performance. Yearly performance returns are for the year indicated, except the 2020 YTD is for the period ending 06/30/20. Past performance is no guarantee of future results, and no representation is made that results similar 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

Rolling 3-Year Annualized Returns *
(net of fees)

Period beginning 4Q03



*Rolling three-year compound annualized net returns have been calculated by IMVA, using quarterly Small Capitalization Portfolio composite and Russell 2000 Index performance information, respectively, between October 1, 2000, and June 30, 2020 (inclusive). Each point has two coordinates: one representing the compound annualized net return of the Small Capitalization Portfolio over a given three-year time series and as of a quarter-end (the vertical or Y axis, labeled “IMVA Small Capitalization”; the other representing the compound annualized net return of the Russell Index over a given three-year time series and as of a quarter-end (the horizontal or X axis, labeled “Russell 2000”). The vertical distance between each point and the diagonal line represents the difference between the compound annualized net return of the Small Capitalization Portfolio over a given three-year time series and that of the Russell 2000 Index over the corresponding timeframe.

Please refer to the footnotes on the last page for a detailed explanation of performance. Performance returns are for the period ending 06/30/20. 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.

Positioned for continuing success

- Experienced analytical and portfolio management team in place.
- Consistently-applied investment process that optimizes the portfolio managers' ability to create value versus the indices and active management competitors. *
- Focus on long-term investment results.
- Substantial capacity for growth in assets under management.
- Extensive support within the firm in trading, administration, and compliance.

**Past performance is no guarantee of future results, and no representation is made that goals or results similar to those shown or implied can be achieved. Please refer to the footnotes on the last page for a detailed explanation of performance.*

- Quarterly Letter
- Ad Hoc Reports as Market Conditions Warrant
- Client Meetings as Needed
- Direct Communications/Contact with Portfolio Managers

Investment Management of Virginia, LLC

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

Year ^A	Total Return Gross	Total Return Net ^B	Benchmark Russell 2000	Composite 3 Yr. St. Dev. ^C	Benchmark Russell 2000 3 Yr. St. Dev. ^C	Composite Number of Accounts	Composite Dispersion ^C	Composite Assets End of Period	Strategy Assets End of Period ^D	Model Assets End of Period ^D	Non-Fee Paying Composite Assets End of Period (MM)	Percentage of Non-Fee Paying Composite Assets	Total Firm Assets End of Period (Millions)
	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)		(Percent)	(Millions)	(Millions)	(Millions)			(Millions)
2010	32.00	31.51	26.85	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	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	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	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	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	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	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	26	0.70	30.23	62.09	12.09	2.04	6.74%	491.22
2018	-8.56	-9.05	-11.01	17.31	15.79	25	0.46	24.91	54.44	7.73	1.68	6.75%	448.68
2019	15.33	14.74	25.53	19.16	15.71	19	0.76	24.57	58.41	9.01	1.54	6.25%	509.85
*2020	1.79	1.52	-12.98	N/A	N/A	17	N/A	24.18	55.64	0.60	1.51	6.23%	481.66

* 2020 performance returns are for the period ending 06/30/20.

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 March 31, 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 Small Capitalization Portfolio composite has been examined for the periods January 1, 1994 through March 31, 2020. 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 June 30, 2020, the firm provides models to programs managing a total of approximately \$5.24 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, including use of ETFs. 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. Net performance returns have been calculated by reducing gross performance returns by the actual investment management fees charged. 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. The information contained in this material is based on data we have obtained from third party sources. While this information has been obtained from sources we believe to be reliable, we do not guarantee, nor are we responsible for, the accuracy, completeness, or timeliness of the information provided in this presentation. 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 for 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.